FBIS DAILY REPORT

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Vol VI No 091 *8 May 1980*

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GOVERNMENT ANNOYED BY 'UNFRIENDLY' CHILEAN ATTITUDE

PY071821 Paris AFP in Spanish 1524 GMT 6 May 80

[Text] Buenos Aires, 6 May (AFP)--Argentine military sources said here today that the Argentine Government is concerned and annoyed by what they termed the Chilean Government's "unfriendly" attitude, which may hinder the papal mediation in the two countries' border dispute in the southern region.

According to these sources, the recent opening of trade between Chile and the Malvinas Islands (which Argentina claims as its own although they have been occupied by Great Britain since 1833) is one of the reasons for this annoyance.

Military circles believe that the Chilean decision to start trade with the Malvinas' British administration has been interpreted as an unfriendly attitude because it is an issue "that is particularly close to the heart of all Argentines."

They note in this regard that Argentina's claim to sovereignty over the Malvinas has gained the support of the entire community of the Americas and that, therefore, the Chilean attitude "has not been very pleasant for us."

What is more, these sources have noted that the fact that Argentina and Chile are going through a crucial period in the mediation over Picton, Nueva, and Lennox islands in the Beagle Channel is another important factor.

Regarding the papal mediation of the border conflict, the sources noted that "such an attitude may affect the mediation process, because despite the fact that it does not affect the basic issues, it does affect the relaxed atmosphere needed to arrive at an agreement."

Asked about the development of the papal mediation process, the Argentine Army commander, Lt Gen Leopoldo Galtieri, noted that both countries are more "concerned" than they were last year.

Galtieri added: "This is because of the system being used in the mediation. In 1979 each country had only to submit its own judgment to the mediator, but this year we are focusing on the issue itself and searching for solutions."

He noted: "I personally hope that we will be able to arrive at a solution before the end of the year, but this does not mean that we will be able to do so."

Galtieri said: "I believe that a rapid solution of this conflict would be to the mutual benefit of Argentina and Chile."

Diplomatic circles believe that the tension between the two countries over the Beagle dispute may grow in the next few months in view of the attitude of Chilean officials.

It is noted, for example, that Chile has already disclosed specific economic development programs for the three islands (Picton, Lennox and Nueva) involved in the papal mediation.

According to military sources, such an action may be interpreted as a violation of the Montevideo agreement that was signed at the beginning of 1979, through which Argentina and Chile accepted the mediation of Pope John Paul II in the dispute, thus avoiding an almost certain war.

BALBIN REPORTS ON TALKS WITH INTERIOR MINISTER

PY071756 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0050 GMT 7 May 80

[Text] Buenos Aires, 6 May (NA)--The leader of the Radical Civic Union (UCR), Ricardo Balbin, disclosed today that the interior minister had told him that "the problem of the prisoners is solved, and each case is being studied. As for the missing persons, he told me that there is nothing more to be said, since the government believes that everything that had to be said has been said."

Before more than 200 fellow party members and over 30 journalists who had gathered at the headquarters of the UCR national committee, Balbin outlined the manner in which the meeting he held a few minutes before with Interior Minister Albano Harguindeguy had developed within the framework of the political dialogue.

Almost the entire national committee, provincial leaders and other party members had assembled at UCR party headquarters to applaud and cheer the political leader during his half-hour conference. The meeting was also attended by representatives of the "commission of relatives of prisoners and missing persons," who had come to talk with the radical UCR leader.

"I had not expected all this. Why all this uproar?" Balbin said in view of the number of journalists and photographers. He added that he had believed that it was going to be an "informal talk with party members."

He explained that with Minister Harguindeguy "I have established the need to discontinue the state of emergency, to protect the prestige of the process and to allow it to lead to success rather than to failure." He pointed out that he had "warned" General Harguindeguy that "the national unity we all advocate must not mean uniformity."

He said: "I told the minister that we must not risk being discredited at times when the country is dissatisfied. There is dissatisfaction, and not only because of the economic problems which have been worsened by recent, well-known events."

Balbin made it clear that he had asked General Harguindeguy "to institutionalize the political parties but not in order to hold elections, since elections are only the final goal of the process," and added that "we did not discuss timetables, but I did speak about urgent needs."

Balbin emphasized that he had attended the meeting as president of the UCR and that he had "left Harguindeguy's office full of hopes in order to serve the country, because the country must be hopeful, but" he added, "let no one dare disappoint these hopes."

He said that "the youth must be given four [as received] strongly motivating ideas, because we must convey to the people that this dialogue is continuing and not collapsing, for this dialogue has started at this level, but it will continue with the people," because "we must awaken the confidence of the nation."

He stressed that "the country must be confident to seek unity because if we distrust one another there will be no unity." In response to a question he said that General Harguindeguy had not asked for "approval, which I would not have given in any case," because "I went as president of the UCR, and the president of the UCR does not accept conditions."

He went on to say that "my demands for institutionalization are tied to my demand for pacification which we all, including the armed forces, desire. That is why I spoke of the prisoners and the missing persons without any demagoguery in mind."

He explained that at that point General Harguindeguy told him that "the problem of the prisoners is solved, and each case is being studied. As for the missing persons, he told me that there is nothing more to be said since the government believes that everything that had to be said has been said."

Balbin added: "I want peace for my country, but they [as received] do not see that the mothers grow old waiting for an answer. But one cannot play with lies...the mothers call for an answer, and the lack of one is telling me what the truth is.

"I would rather make mistakes. I hope I am mistaken...I too have children and grandchildren. I have felt the death of one of them and I know how it can hurt, but I am also concerned over the sorrow of those who must go on living," Balbin said. He went on to discuss the criticisms he had recently received from the mothers of missing persons.

"I have been criticized. I understand sorrow, but I acted from the humanitarian point of view. I wanted to help them, and unfortunately time will show that I was right," he said. After almost 1 minute of silence he added: "The important thing is to go on living, serving the nation, and the UCR wants to serve."

He expressed surprise once again about the presence of journalists and indicated that "everyone knows what we think and they also knew that we were going to say what we thought."

He explained that "this phase of the political dialogue can only establish the general guidelines and the most pressing needs," and stated that "if the armed forces plan to channel the political dialogue toward concrete projects, the UCR will study each issue and convey to the appropriate officials the proposed solutions."

He then recalled the teachings of Hipolito Yrigoyen on "civilian-military unity, where there must be no wire fences between civilians and the military if they are to work together for the good of the nation."

In response to a question, Balbin said that "he had reminded the ministers about the statements which the UCR had issued on the economic situation." He said: "I did not go to make economic proposals, I went to ask for the institutionalization of the nation."

MARTINEZ DE HOZ RETURNS FROM U.S. LECTURE TOUR

PY072256 Buenos Aires Domestic Service in Spanish 2000 GMT 7 May 80

[Text] Economy Minister Jose Alfredo Martinez de Hoz returned from the United States today. During his stay in that country he gave several lectures and met with U.S. Government officials.

BRIEFS

FOREIGN DEBT--Buenos Aires, 6 May (NA)--The Central Bank has reported that the Argentine foreign debt as of 31 December 1979 was $19,034,000,000, and that international reserves at that time totaled $10,480,000,000. During 1979, exports reached $7,746,000,000, 21 percent higher than in 1978; and imports increased 64.3 percent, reaching $6.3 billion. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1200 GMT 6 May 80 PY]

NUCLEAR COMPONENTS TO BE EXCHANGED WITH ARGENTINA

PY071702 Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 May 80 p 37

[Excerpts] Brasilia--Through NUCLEP (Nuclebras Heavy Equipment, Inc), Brazil will supply Argentina with pressure vessels and steam generators for the Atucha 2 nuclear reactor, whose main contractor is the German firm KWU (Kraftwerk Union AG), the same enterprise which provides the engineering and part of the components for the Brazilian nuclear program. The KWU owns 8.33 percent of NUCLEP's capital.

This report has been released by Mines and Energy Ministry sources who stated that, on the other hand, Argentina's CNEA (National Atomic Energy Commission) will supply zircalloy tubes to NUCLEBRAS [Brazilian Nuclear Corporation] for the encasement of fuel element uranium pellets, probably beginning with the refueling [recarga] of Angra 1, which NUCLEBRAS hopes to build beginning in 1981.

According to the same Mines and Energy Ministry source, the main objective of the nuclear cooperation agreement between Brazil and Argentina, to be signed during President Figueiredo's visit to Buenos Aires this month, is the completion of the two countries nuclear fuel cycles--which are in the process of installation--without any foreign pressure.

Although they have decided to use different types of nuclear reactors (Brazil has chosen the PWR [pressurized water reactor], which uses enriched uranium as fuel and pressurized light water as coolant, while Argentina has adopted the HWR, [heavy water reactor] which uses natural uranium as fuel and heavy water as coolant), the fuel cycles of both countries have many points in common, and there are opportunities for cooperation.

According to the same sources, it is possible that, pressed by the FRG Government through the KWU, Brazil and Argentina will be forced to sign a tripartite safeguards treaty with the IAEA, covering at least the components for the Atucha 2 reactor which will be built by NUCLEP, since they are part of a larger delivery by the KWU.

Another positive aspect of the Argentine-Brazilian nuclear alliance could be the future formation of a consortium between the two countries capable of supplying nuclear equipment and services to Third World countries, covering the two main types of reactors in use throughout the world.

GUYANESE MINISTER ARRIVES ON OFFICIAL VISIT

PY071307 Rio de Janeiro O GLOBO in Portuguese 6 May 80 p 25

[Excerpt] Brasilia (O GLOBO)--Guyanese Works and Transport Minister Steve Naraine arrived in Brazil yesterday for a 5-day official visit which could result in the Guyanese purchase of Bandeirantes airplanes. Naraine met with Itamaraty Secretary General Baena Soares and asked the Brazilian Government to reestablish the air route between Georgetown and Rio de Janeiro that was flown by the Cruzeiro do Sul airline some years ago.

POLICE WITHDRAWN FROM OCCUPIED CHURCH AT CLERIC'S REQUEST

PY071918 Santiago Chile Domestic Service in Spanish 1730 GMT 7 May 80

[By Graciela Contreras]

[Text] A few minutes ago the Interior Ministry issued a communique outlining the government's position on the latest developments in the occupation of the San Miguel Church. The communique states:

1. On 5 May the archbishop of Santiago publicly reported the occupation of the Church of San Miguel by stating: "The church has been taken, thus precluding its utilization for religious purposes."

2. In view of the seriousness of this report, the government ordered police surveillance to be placed in the area of the church and made an offer to church authorities to expel the occupants as soon as the appropriate request was received.

3. On 6 May the archbishop of Santiago sent a letter to the Interior Minister stating that he had decided against making any formal complaint about the events and that he had decided to consider the incident closed. In his letter the cardinal also requested the lifting of police surveillance.

4. Complying with this request the government has ordered the immediate withdrawal of police surveillance. Santiago, 7 May 1980.

REPORT ON REFERENDUM, ELECTORAL TIMETABLE DENIED

PY080211 Paris AFP in Spanish 2326 GMT 7 May 80

[Text] Santiago, 7 May (APF)--A high government spokesman denied here today reports that the Chilean Government intends to call a constitutional referendum next month. He also denied the existence of a political timetable with specific dates for the country's return to full democracy, including presidential elections in 1985.

Both the announcement of the referendum and the details of the timetable were published today, Wednesday, by the weekly HOY, which is linked to the Christian Democratic Party--now in the opposition.

The spokesman said: "These and other speculations are completely unfounded: the draft constitution is still at the State Council." Once reviewed by this council, the draft constitution will be submitted to the consideration of the ruling junta headed by General Pinochet. HOY reported that the draft constitution had been completed and that President Pinochet would announce it to the country this month and would submit it to a popular referendum in June.

MIR SAYS IT STAGED ATTACK ON CNI OFFICE

PY080125 Paris AFP in Spanish 2251 GMT 7 May 80

[Excerpt] Santiago, Chile, 7 May (AFP)--The outlawed Movement of the Revolutionary Left (MIR) today in Santiago claimed responsibility for the armed attack perpetrated last Saturday against an office of the National Information Center (CNI) of the Chilean military government. In a communique delivered to the media in Santiago, the MIR points out that the building, located in an eastern residential area of this city, was used as a torture center by the CNI. In the communique the MIR, which is headed by Andres Pascal Allende, warns that "those who terrify our people will be severely punished."

ALL DEPARTMENT GOVERNORS, POLICE CHIEFS RESIGN

PA071954 Bogota Radio Cadena Nacional in Spanish 1730 GMT 7 May 80

[Text] Bogota--All 22 department governors have now submitted their resignations to President Julio Cesar Turbay Ayala. The police chiefs and commissioners have also resigned to make way for the reorganization announced by the chief of state.

CTC CALLS STRIKE TO PROTEST FUEL PRICE INCREASE

PA061529 Buenos Aires LATIN in Spanish 1954 GMT 5 May 80

[Text] Bogota, 5 May (LATIN)--A leader of the Confederation of Workers of Colombia [CTC], one of the four labor unions, announced today that this organization has called a national strike to protest the fuel price increase decreed by the government.

CTC President Manuel Felipe Hurtado stated that the 30 percent increase in fuel price will bring about an increase in the price of food and transportation. He also stated that the date for the strike will be set later.

In conjunction with the approval of the fuel price increase made on Friday, the government announced the analysis of complementary measures such as the readjustment of transportation rates. Transportation workers have also threatened to go on strike if the government does not grant them a 70-percent increase in the rate of their services.

M-19 LEADER DENIES KILLING UNION LEADER MERCADO

PA061637 Bogota Cadena Radial Super in Spanish 1100 GMT 6 May 80

[Text] Jose Raquel Mercado, the president of the Confederation of Workers of Colombia [CTC], was not killed by the 19 April Movement [M-19] but by the country's ruling class which he served, M-19 leader Jaime Bateman said in a report published today by the conservative newspaper EL SIGLO.

The subversive leader said that justice had to be carried out for the working class because Mercado was not really poor Mercado but a CIA agent. Bateman said in his statements that the M-19 sent a well-known lawyer to talk with President Lopez Michelsen but the president did not pay attention to him. Bateman said the president caused the execution of Mercado by not accepting any kind of negotiation.

Denies Role in Other Death

PA061630 Bogota Cadena Radial Super in Spanish 1100 GMT 6 May 80

[Text] Nicolas Escobar Soto, the manager of a (?Texas) company, was shot by the army and not the M-19, Jaime Bateman, the M-19's top leader, said in his statements to newsman Castro Caicedo. The subversive leader added that the army knew that the people's jail had no other exit and in this way it sacrificed the executive of the multinational company.

He said that Escobar Soto was kidnapped because he was the representative of a monopoly. The monopoly caused his death by abandoning him and not negotiating with the M-19, Bateman added. Bateman noted that the M-19 has converted the banner and anthem of the National Popular Alliance into real revolutionary symbols.

FERAUD TERMS LEGISLATIVE HEARINGS 'IMPEACHMENT'

PA071753 Quito Voz de los Andes in Spanish 1230 GMT 7 May 80

[Text] Government Minister Dr Carlos Feraud Blum described the impeachment procedures [juicio politico] initiated against him yesterday by the Chamber of Representatives as "unconstitutional." He argued that there was not sufficient basis for them and moreover, the legislature does not have a regulation establishing procedures to be followed during an interpellation.

The first session of the interrogation lasted approximately 8 hours, with Minister Feraud Blum rejecting the 45 questions presented by the five deputies of the Concentration of Popular Forces [CFP]. The minister said that no specific charge has been filed against him and denied being responsible for the actions of the governor and the general police intendant of Guayas.

Additionally, the minister said the Chamber does not have the necessary procedural authority to impeach a government official since it has no charter. He also cited the constitutional provision which states that the issuance of regulations is the function of the president of the republic.

After extensive argument to explain the legal nature of impeachment throughout the country's constitutional history, the minister pointed out that ministers and other authorities are held responsible only for their actions in the exercise of their duty. He insisted that none of the 45 questions asked by the CFP legislators--Fausto Vallejo, Julio Ayala, Arquimedes Valdes, Galo Vallas and Edgard Garrido--involved misconduct by him in the exercise of his duty. He added that in the absence of a specific charge, he should not be face with impeachment by the Chamber. Instead he should have been called upon to explain the conduct of subordinate officials.

The minister emphasized his legal argument by indicating that under the existing Constitution, all officials are responsible for their own actions and that the pertinent constitutional provision is being violated in this case, because he is being held responsible for the actions of the intendant of Guayas or Azuay. [as heard] He noted that when an official commits an infraction, it is listed in the procedures under which he is judged.

INDUSTRIALISTS PROTEST SEIZURE OF FISHING BOATS BY PERU

PA071755 Quito Voz de los Andes in Spanish 1230 GMT 7 May 80

[Text] In a letter to the Peruvian Foreign Ministry, the Federation of Chambers of Industry of Ecuador has criticized the hasty action of port authorities in Talara in seizing four Ecuadorean fishing boats.

In the name of the federation, its president, Romulo Lopez Obando, sent a letter to the Peruvian Foreign Ministry expressing regret that in punishing the owners of the four Ecuadorean boats, certain natural phenomena, such as the force of underwater currents, failed to be taken into account. He said that in addition, the authorities disregarded provisions of international agreements which authorize vessels to sail up to 10 miles inside the territorial waters of other countries. He said that our country has been respecting this commitment with regard to ships of other nations and has imposed no sanctions on them for this reason.

The federation expressed the hope that understanding of the problem at the highest level and the sensitivity of the Peruvian Government will, in the future, prevent a recurrence of these bothersome incidents, which have an adverse effect on good relations and reciprocal agreements between our respective countries, in order to protect the political and economic relations of the two governments.

NEW INTERIOR MINISTER SWORN IN BY PRESIDENT

FY071354 Lima Domestic Service in Spanish 1200 GMT 7 May 80

[Excerpt] The new interior minister, Gen Cesar Iglesias Barron, was sworn in yesterday by Peruvian President Francisco Morales Bermudez. The ceremony took place at the government house, and after it ended the new minister was congratulated by members of the armed forces, police, civilian officials and the outgoing interior minister, Fernando Velit Sabattini, who wished him success in the performance of his duties.

HAVANA REPORTS ON REFUGEE CONDITIONS IN LIMA

FL061654 Havana Domestic Service in Spanish 1600 GMT 6 May 80

[Excerpt] Lima--The alleged Cuban refugees taken in by the Peruvian Government are selling the used clothing the Red Cross gave them, according to the administrator of the tent camp where the unusual guests are staying. The administrator of the camp, located in San Luis Park, Israel (Cordolf) told the local daily LA PRENSA that he knows of refugees who sell the clothing that was given them on arriving in Lima. He said that the trafficking is carried out at the wire fence surrounding the park with the curious on the other side who come to see the elements their homeland considers antisocial.

(Cordolf) also said that donations of clothing and food received from Miami are being carefully distributed so they will last as long as necessary.

Last weekend one of the refugees was arrested by the police when, completely drunk, he caused a scandal at the park's entrance. He had to spend the night in a police station.

The refugees, who according to one of the arguments of conservative propaganda, were seeking a better return for their efforts outside Cuba, continue to while their time away doing nothing at the park. Only one of the 327 "refugees" has left the park to search for a job and find a place to live in the city, four left for Ecuador, and the remainder are still at the camp. The "refugees" have often expressed their wish to travel to the United States, where the majority claims to have relatives, a fact which, according to the local press, caused concern at the U.S. Consultate.

Coincidentally, the weekly OIGA published a photograph of the U.S. Embassy with its gate closed and the inner guard reinforced during working hours.

PRESIDENT HERRERA REAFFIRMS POSITION TOWARD CUBA

PA071637 Madrid EFE in Spanish 0220 GMT 7 May 80

[Text] Valencia, Venezuela, 6 May (EFE)--Venezuelan President Luis Herrera Campins today described the current state of relations between his country and Cuba as "delicate."

The president referred to the diplomatic crisis in Havana, reaffirming that Venezuela maintains a "firm and peaceful stand in defense of human rights and the civilized rules and practices of international law." He added that his country has a very "clear conscience" knowing it is a nation "people do not want to leave, but rather one they want to come to." On Saturday Herrera Campins responded strongly to Fidel Castro's attacks on Venezuela in his 1 May speech.

The Venezuelan Foreign Ministry also replied officially to Castro's statements, describing as "false" his charge that Venezuela is acting against the Cuban Government.

Herrera Campins arrived today in Valencia, capital of Carabobo State, in the interior, to attend a special session of the Venezuelan Congress in that city. The special parliamentary session commemorated the 150th anniversary of Valencia's constituent session, which decided on Venezuela's separation from Gran Colombia and approved the country's longest lasting Constitution (1830-1857).

FOREIGN MINISTER TO ATTEND TITO'S FUNERAL

PA062138 Paris AFP in Spanish 2314 GMT 5 May 80

[Text] Caracas, 5 May (AFP)--Venezuelan Foreign Minister Jose Alberto Zambrano will attend the funeral services for Josip Broz Tito, president of Yugoslavia, who recently died, it was officially announced here.

Zambrano, according to Acting Foreign Minister Oswaldo Paez Pumar, will leave for Belgrade from Brussels, where he is attending the talks between the Andean Group foreign ministers and the foreign ministers of the European Economic Community. He has already visited Madrid, where they met with the Spanish and Portuguese foreign ministers, with his Andean colleagues.

The Venezuelan Marxist Movement for Socialism, the third political force in the country, today sent a message of condolence to the Yugoslav Government, it was also reported. The movement's note said Tito "was a great soldier, a great thinker and a great builder." It also noted the contributions of the deceased leader to the "search for an independent socialist path" and his efforts to achieve international, detente, peace and a new international economic order.

CENTRAL UNIVERSITY HIT BY GENERAL STRIKE

PA070133 Caracas Radio Continente Network in Spanish 2100 GMT 6 May 80

[Text] A general strike was called today at the Venezuelan Central University. The paralysis of activities at our foremost educational center was called by the administrative employees of all schools. Meetings are being held at the School of Engineering. The employees have not received their salaries since the first half of April.

The engineering students seized the university press installations today and the situation has reached a point in which all university activities have ceased. The conflict broke out after university workers tried to meet with university rector Miguel [name indistinct].

PRESIDENT ROYO LEAVES FOR TITO FUNERAL

PA070446 Buenos Aires LATIN in Spanish 0434 GMT 7 May 80

[Text] Panama City, 7 May (LATIN)--Panamanian President Aristides Royo left last night for Belgrade at the head of the Panamanian delegation that will attend Marshal Josip Broz Tito's funeral tomorrow.

Royo boarded a commercial plane at 1700 (2200 GMT) accompanied by his wife, Adela Ruiz de Royo, Panamanian Foreign Minister Carlos Ozores and Gen Omar Torrijos' economic adviser, Marcel Salamin, who is traveling with the rank of special ambassador. The Panamanian president is expected to arrive today in Frankfurt, FRG, from where he will depart for Belgrade aboard a Yugoslav commercial plane.

Torrijos Sends Condolences

PA071810 Panama City MATUTINO in Spanish 6 May 80 p 1

[Text] "Tito's death leaves us all somewhat orphaned, leaves history a widow and leaves the world a great responsibility: that of picking up and raising his flag of dignity," Brig Gen Omar Torrijos Herrera, commander in chief of the National Guard, expresses in his condolence message to Yugoslav President Lazar Kolisevski on the occasion of Marshal Josip Broz Tito's death.

Following is Gen Omar Torrijos' message:

"My most sincere condolences to all children on earth, to the peoples of the world, to the Yugoslav Government and to the relatives of the great man for the loss of the one who won for us one of the most important battles in history.

To erase his name from the long list of world leaders is to make it blank.

Tito's death leaves us all somewhat orphaned, leaves history a widow and leaves a great responsibility to the world:

That of picking up and raising his flag of dignity. Tito has died in order to begin living in the thoughts of those who hate humiliation and love freedom."

[Signed] Brig Gen Omar Torrijos Herrera

Commander in Chief of the National Guard 6 May 80

MATUTINO VIEWS OLYMPIC GAMES PARTICIPATION

PA070451 Panama City MATUTINO in Spanish 6 May 80 p-4A

[By Harmodio Icaza]

[Text] Zero hour is arriving for the most important amateur event. This year it will be held in the Soviet capital and for the first time in years it has political repercussions at world level. It is an open conflict between the Western and Soviet bloc.

For many years sports were kept out of the field of politics and except for a few incidents, which were kept well in hand, it could be said that until the decade of the 1970's amateur sports were kept out of the reach of political intervention. [paragraph continues]

The most serious interventions began with the "Black Power" demonstrations on the part of U.S. athletes during the awarding of prizes.

Since that time it has been practically impossible to control the intervention of politics, which climaxed with important events such as the boycott of South Africa, the demands regarding Taiwan and the abstention of several countries for various reasons. It has finally become clear that for better or worse, politics plays an important role at the highest level of Olympic endeavor.

In view of this reality, we must analyze President Carter's appeal to the free, democratic and civilized world to abstain from attending the Moscow Olympic games as a form of protest over the Soviet invasion of Afghanistan.

It is a fact that the UN resolutions condemning an invasion or requesting the withdrawal of troops from a determined area have little or no practical value. The Soviet Union has traditionally cared little for world condemnation of its invasions. Therefore, it was necessary to make world repudiation more emphatic.

The boycott of the Olympic games offers this opportunity for two reasons. First, it is the best way, especially for small countries, to repudiate intervention by force. Secondly, it is a way to reject human rights violations.

Let us not fool ourselves that any country attending the games will not be internationally interpreted as sympathizing with the Russian invasion of Afghanistan. If we go, the Russians will exploit Panama's presence as government support of their Afghanistan policy.

And while President Royo in Panama gives his opinion and says that the decision to attend is up to the Olympic Committee, as if to emphasize the independence existing in international amateur sports and the state, if we attend the Russians will make it look as if the Panamanian Government approves its aggression and forceful occupation.

So far we have not given much importance to Panama's participation in the games and I believe that this is the time to take a firm and responsible decision on the matter. Our image of an independent, sovereign and nonaligned country must be maintained at all costs. If we attend it will be interpreted as our acceptance of the Russian invasion.

I do not believe for a moment that any one in his right mind can approve the Russian action against the defenseless Afghan people, but keeping silent is not enough. We must express to the free world, by means of our abstention from the Moscow games, that Panama openly and frankly condemns the invasion and therefore abstains from participating in the games.

COLUMNIST REPORTS TREATY VIOLATIONS IN HOUSING AREA

PA072001 Panama City MATUTINO in Spanish 7 May 80 p 4-A

[By Harmodid Icaza: "More Arbitrary Actions"]

[Text] In accordance with the canal treaty, Panama became the owner of all houses in the former Canal Zone when the treaty went into effect on 1 October 1979. The treaty also indicates that of the houses whose property title Panama acquired on 1 October, Panama would place at the disposal of the United States those occupied by American employees of the Panama Canal Commission.

It was thus understood that the use of empty houses and those occupied by Panamanians working for the canal would not be transferred to the commission and that Panama would at all times retain control over them.

Nonetheless, there was a practical problem--only in Rainbow City, Paraiso and Pedro Miguel were these houses grouped together. In the other communities, there were only isolated units and for this reason it was very difficult for the Panamanian Government to administer them.

Since relations with the Zonian authorities have never been good, the logical thing was for Panama not to have in any way delegated that responsibility to the canal commission because traditionally, whenever they have been given an inch, they have taken a mile under the law of the strongest.

In spite of this, it was naively agreed at the binational level (and this is not their fault but ours) that although the use of these houses was not being transferred to the commission, the latter would be in charge of their administration. In practice, this has turned out to be a gross mistake because even if the cost of administering these houses was going to be higher than the revenues obtained from them, for reasons of prestige, image and responsibility, we never should have conceived such a wild idea.

This is what has happened. The treaty establishes that Panamanians living in those houses are entitled to continue living in them even if they stop being canal employees due to voluntary or involuntary retirement. But now the Panama Canal Commission has unilaterally and arbitrarily announced that when a Panamanian employee retires, he must leave his house so it can be assigned to a U.S. citizen.

This is a capricious interpretation of the treaty because that is not what it says. Besides, it is clear and evident that the purpose of this unilateral provision is to prevent the presence of Panamanians in the housing area, despite the fact that when they were employed by the canal, their presence in the area had not been undesirable. Suddenly, it is. That same attitude has kept the Panamanian Government from having access to Building No 81 in Coco Solo.

When use of Building No 81 was requested, the Panama Canal Commission replied to the Panamanian Government that they do not object, but that the "U.S. community in Coco Solo opposes the presence of Panamanians in that area." SUCH INSOLENCE AND UNHEARD-OF BOLDNESS!!!!!

Incredible but true. Some Panamanians are accepting the thesis that Zonians who do not accept the presence of Panamanians must be saved "emotional shocks." Evidence of this is the fact that the CENSUS in the housing and civilian coordination areas will not be conducted by the census office but by the Panama Canal Commission and the U.S. Armed Forces.

Aside from showing our inability, that attitude is humiliating and harmful to our sovereignty. It is impossible to describe it any other way. It is undeniable that God made all men equal but, definitely, some men are more equal than others.

COLONEL MAJANO, HONDURAN OFFICERS REPORTEDLY MEET

PA062130 Panama City ACAN in Spanish 1813 GMT 6 May 80

[Excerpts] Tegucigalpa, 6 May (ACAN-EFE)--High-ranking officers of El Salvador and Honduras met yesterday at the common border point of El Poy, in Honduras, with OAS observers. The meeting, the second in less than 1 week, was reportedly attended by Col Adolfo Arnoldo Majano, member of the Salvadoran revolutionary junta. It was unofficially reported today.

Apparently Honduran and Salvadoran military officers are looking into the escape of hundreds of persons fleeing from the fighting in El Salvador into Honduras. Approximately 600 Salvadorans are now in the Honduran Lempira Department where they are experiencing difficulties and hunger while under strict military control.

A mission from the UN high commissioner on refugees is today visiting the refugees in an effort to provide aid. The Honduran Government has said that it cannot continue to receive Salvadoran refugees due to the economic difficulties and the situation which exists in that country.

Salvadoran Denial

PA062131 Panama City ACAN in Spanish 1934 GMT 6 May 80

[Text] San Salvador, 6 May (ACAN-EFE)--Col Adolfo Arnoldo Majano, member of the Salvadoran revolutionary government junta, did not attend the meeting with Honduran military officers held yesterday in El Poy, approximately 100 km north of San Salvador.

Sources at the Salvadoran presidential house told ACAN-EFE today that Colonel Majano spent all day yesterday in his office, that reports to the contrary have no basis in fact. They also said that it is false that he had met with officers of the Guatemalan general staff the middle of last week. "It is not that he does not wish to confer with them on common subjects, but so far there have been no meetings," said the sources.

COSTA RICA

USSR OFFERS TO PAY OLYMPIC ATHLETES' FARE, EXPENSES

PA080206 Panama City ACAN in Spanish 0033 GMT 8 May 80

[Text] San Jose, 7 May (ACAN-EFE)--The local evening newspaper LA PRENSA LIBRE today reports that the USSR has made an offer to the Costa Rican Olympic Committee to pay the expenses of the Costa Rican athletes who will participate in the Olympic games in July.

The Costa Rican athletes, about 50 in all, who will compete in the Olympics will only have to pay their fare from San Jose to Mexico City. At Mexico City they will board a Soviet Aeroflot airliner.

The newspaper cites the Soviet Embassy as its source of information. The embassy also said that the cost of the Costa Rican athletes' stay at the Olympic villa also will be borne by the USSR Government.

CUBA NOT INVITED TO 8 MAY MEETING ON REFUGEES

PA072146 San Jose Radio Reloj in Spanish 1730 GMT 7 May 80

[Text] The international meeting that begins tomorrow in Costa Rica will attempt to find a solution to the problem of the Cuban refugees in the Peruvian Embassy in Havana, the main reason for the meeting is to find a solution to the Peruvian Government's problem regarding the refugees who still remain in its Havana embassy.

The delegates of the participating countries will be informed of the Cuban Government's demands regarding the sending of planes directly to Havana to take out the refugees who will be relocated in various countries.

The Cuban Government has apparently not been invited to this meeting although it was said that Cuba is aware of the meeting. As is known, Cuba does not accept the establishment of a relocation center for the refugees in Costa Rica and therefore the airlift cannot be reinitiated. However, according to the latest communication the Costa Rican Government has received, Cuba does agree to the refugees being sent directly to the countries where they will reside.

EL SALVADOR

MAJANO COMMENTS ON 1 MAY COUP ATTEMPT

PA070116 San Salvador Domestic Service in Spanish 0300 GMT 6 May 80

[Speech by Salvadoran junta member Col Adolfo Arnoldo Majano Ramos; place not given--live]

[Text] Salvadoran people: On behalf of a fraternal and solid national unity, I address you to report on the political events that the revolutionary junta has faced over the past few days. I never participated in politics prior to 15 October 1979, but heeding the call and the feelings of fellow chiefs and officers who love our armed forces, and inspired by the desire to save our fatherland, I accepted this position which I never sought.

After a deep analysis and fully convinced of the honesty of the movement, I saw in it the true professionalism and military honor which should characterize us. It was my obligation as a soldier and a citizen to contribute to the rebirth of our armed forces which was nothing less than the hope of salvation for the Salvadoran people.

This is how the 15 October 1979 action succeeded and became the salvation of our fatherland and institutions. Ever since that date, extreme leftist and rightist forces began to plot against the new government. They began to produce several obstacles to the peaceful revolutionary process and the junta. Nevertheless, citizens, obscure forces of the rightwing, with clearly defined purposes and with a regressive attitude, have tried to hinder our work despite the fact that the political and military measures adopted increasingly counteract and isolate the clandestine organizations and give the junta a greater support in all government sectors. We know that the ultraleft will never cease to fight for its objective of seizing power and destroying our institutions. However, at this time we are facing the maneuvers of retrogressive rightist forces which, their ancestral privileges affected, are employing every means to halt this progress. These same forces which in the past said that they wanted to talk with me because they felt I was a representative of the people and their armed forces, are now carrying out a plot to discredit me with slander and lies which they themselves do not believe.

They are saying that I am a communist and a principal leader of subversion. In this conspiracy, they have mainly used members of the armed forces who are not currently in active service. The second failed coup attempt was carried out on Thursday. If this coup had been successful, it would have sown chaos and fear in our country, but the most serious thing is that there is tolerance and complicity on the part of groups which do not want to see that each day the ultraleftist forces are losing national and international support in view of the social benefit measures that are being implemented.

All these events are a result of the manipulations of antipatriotic people who seek to ruin our country and boldly divide our armed institution for the sake of very selfish and personal reasons and to benefit old structures which have no firm basis.

These maneuvers against the government junta in general and against Dr Jose Antonio Morales Ehrlich and myself in particular failed due to the high morale and professionalism of our armed forces. The Salvadoran people must be aware of these realities: First, the extreme leftwing wants power and our destruction, and second, the extreme rightwing--with Major d'Aubuisson at its service--wants to halt this process which is already irreversible.

Citizens, we are here because we believe in the postulates of the 15 October 1979 armed forces proclamation and its redefinition in 9 January 1980. It marks the beginning of the true liberation of our people. For this reason, I urge you to meditate and deeply reflect on the national and international scene we are facing. I urge you not to be surprised about the emergency measures and to support this process. We want to reiterate to you our firm conviction to work for the Salvadoran people and their armed forces. We want to tell you that we already know the origin of any attempt aimed at physically eliminating me or other fellow comrades in arms or government members who are aware of their patriotic mission. We want to tell you that any such attempt will not halt the advance of the reforms.

We want your understanding rejecting all that baseless slander so that we can move ahead, in national unity, with the implementation of the social, political, economic and military changes that the fatherland needs. Thank you and good night.

AMENDMENTS TO GUN CONTROL DECREE BEING CONSIDERED

PA070056 San Salvador EL DIARIO DE HOY in Spanish 6 May 80 pp 7, 19

[Dr Rafael Asbun commentary]

[Excerpts] When the military drafted the gun control law, their decision was not discussed publicly for two basic reasons: A) The issue itself was not a matter for public discussion, and B) Knowledge of the issue had to be limited to such elements as defense or attack weapons, caliber and so forth. So when it was announced, there was criticism.

The military, notwithstanding what is said about them and their discipline, which clashes with civilian mentalities, reacted to what newsmen and the members of the judiciary branch were saying. And right now, there is talk about a draft reform being in the hands of the Supreme Court, a correction that does honor to those making it.

The decree on possession of arms excluded judges and other officials from carrying arms. The reform broadens the range of persons who will benefit from carrying arms because of their visible need to do so.

NICARAGUA

FNLA SAYS 500 SANDINISTS FIGHTING WITH CUBANS IN ANGOLA

AB071410 Paris AFP in French 1126 GMT 7 May 80

[Text] London, 7 May (AFP)--During the second half of April, the Sandinists of Nicaragua sent 500 enlisted men to Angola at the request of Cuban President Fidel Castro, the European bureau of the National Front for the Liberation of Angola, FNLA, announced on Wednesday.

FNLA sources says that Fidel Castro, whose government currently faces a period of domestic troubles, persuaded Nicaragua to send the contingent in order to support and strengthen the 36,000 Cuban soldiers already fighting in Angola.

The FNLA, who is led by Mr Holden Roberto, also indicates that it controls three-quarters of the Angolan territory.

RAMIREZ ADDRESSES OPENING OF STATE COUNCIL

PA060421 Managua Domestic Service in Spanish 0039 GMT 5 May 80

[Speech by Sergio Ramirez, member of the Junta of the Government of National Reconstruction, at inaugural session of the Nicaraguan State Council from the Camilo Ortega Saavedra civic complex in Managua--live]

[Text] Companera mothers of Sandinist heroes and martyrs without whose blood neither this revolution nor the installation of this State Council would have been possible; Companero members of the junta of the Government of National Reconstruction; members of the Sandinist National Liberation Front [FSLN] national directorate; companero president of the State Council and companero members of the State Council; companero president of the Supreme Court of Justice and members of the Supreme Court of Justice; Archbishop of Managua Msgr Miguel Obando y Bravo; bishops of the episcopal conference; representatives of the legislative branches of friendly nations invited to this ceremony; representatives of the diplomatic corps accredited in Managua; companero members of the government Cabinet; companeros;

On 4 May 1927, a traitor named Jose Maria Moncada decided to surrender to U.S. official Henry (?Stimson) in Tipitapa, at a time when invading troops were occupying our country. Since then, this has been a matter of historical concern of the poor and oppressed in our country. But then, Augusto Cesar Sandino, our national hero, the founder of our nationality, rose in defense of the miners, the workers, the peasants without land and of those who go barefoot and in ragged clothes. [applause]

It was Sandino who named 4 May the day of national dignity. [applause] The 4 May to which I am referring is indeed a national holiday, but not, as Sandino said, because on that day Moncada sold out the Liberal army as if it was a herd of cattle. No, it is a national holiday because on that day Nicaragua proved to the world that the nation's honor could not be trampled and that it still had patriots who with their blood would clean the stain left by others. It is for this reason that the Sandinist people's revolution chose this day for the installation of the State Council as the best way to express the democratic ideal and spirit of participation of this process. It was necessary for our people to carry out a historic struggle which began in the dark days of the conquest, continued with the independence war, the war against the filibusters and the people's wars against U.S. intervention, a struggle which ended with the Sandinist victory on 19 July 1979, so that for the first time here, we could install a legislative body of this nature, which truly represents the nation's interests.

These struggles, these wars and this victory were necessary so that the peasants, workers, teachers, struggling women, free newsmen, youths, Miskitos, Sumos and Ramas--neglected and left behind for years--the army which won this war which is the people's armed forces, the people's representatives of districts organized in the Sandinist Defense Committees (CDS), political parties participating in revolutionary projects of the patriotic front of the revolution, and those not participating in it, trade unions and businessmen who are participating in the nation's reconstruction could have a seat in this assembly. [applause]

A truly democratic and pluralist exercise is only possible thanks to the relentless struggle, the sacrifice and the bloodshed by our brothers who fell. The Junta of the Government of National Reconstruction takes advantage of this occasion of the installation of the State Council, in the presence of special guests who have come representing legislative bodies of friendly nations, to deliver for the first time a message to the nation, to our people which describes the efforts carried out by the government. We are delivering this message to the State Council, which represents all the sectors of the people and the country. In this message we do not want to just list what this revolutionary government has achieved in its task to carry out the nation's reconstruction. With revolutionary honesty, we must also refer in the first place, to the difficulties and mistakes we have certainly committed. We must not overlook the fact that this government has emerged from an armed struggle, won by the exalted FSLN, and led the way to a new order in Nicaragua, the daily reconstruction of which is a hard task. The liberation war put an end to the corrupt and murderous order and established a new order. This task has not ended. We are just beginning. Something we should mention as fundamental is the fact that in these first months of revolutionary construction, our fatherland has consolidated its internal stability and we have guaranteed the peace and security of Nicaraguans. We have restored to homes the tranquillity of which the dictatorship had deprived them. We have restored to the people the hope in the future, the strength and enthusiasm, loyalty and courage to plan the construction of the future. We have gained the respect, admiration and sympathy of all nations on earth. All this is worth the efforts and sacrifice we have put into our job. We still have basic problems to solve in the National Reconstruction Plan and within the immediate efforts for the economic reactivation plan for 1980 which represents for us a trial by fire. Our main objective is to increase and diversify national production and all our efforts are aimed at this. The economic reactivation plan being carried out under the permanent coordination and support of the planning ministry has just finished its first quarter and perhaps it is too early to reach conclusions. Nevertheless, we are in a position to say that in general terms there is a reactivating trend in production. This is currently more obvious in industry, mainly because the farming season still has not ended and because we are still feeling the aftermath of the liberation war. In the industrial field it has been the production of foodstuffs, clothing, hides and shoes which have recovered best. The recovery of the textile, lumber and construction materials industries has been slow. In the field of mining and fisheries we have had substantial improvement, as I will report later. The prices obtained abroad for our products is a favorable condition which will surpass what we estimated. In the field of construction, reactivation has been slower, but we expect a definite pickup in future months. In the agriculture and livestock field, coffee production was more than we had estimated and we have also had excellent results with tobacco, sesame and sugar. The most serious problems have been with cotton due to a drastic reduction in the plantations for reasons we all know. The same has been true with basic grains which has caused some difficulties in supplying the local demand. The production of meat, milk, eggs, and poultry is increasing despite difficulties created by the war are still serious. We are making efforts to defend the workers real and special wages and to control the rate of inflation.

We are struggling to increase employment and to reduce the rate of unemployment and we have created new sources of employment, particularly to counteract the effects of idle time in the rural areas, primarily the 2 months preceding the agricultural season.

We are also struggling to solve the problems of the supply of basic grain and to keep prices of the people's market basket stable. We cannot forget that we are experiencing a postwar era; that the economy suffered serious damage; that the process of reestablishment of production is underway, but that it is slow; that we are overburdened by the weight of an excessive foreign debt immorally contracted by the dictatorship and assumed by us. But neither can we forget that our basic support is the will of our people. Their determination to work and the fact that there has never been a people in the world who can be defeated by a task of national reconstruction if, having already become the rulers of their destiny, they possess the determination to construct, once their liberation has been achieved.

It is the firm intention of our working masses, the willingness to cooperate of the patriotic and honest Nicaraguans in all areas of production, that guarantees the success of reconstruction and the success of the plan of economic reactivation, whose goals we are certain of achieving.

From this point, companeros, the government junta will report on the salient points of the government effort and the most significant advances of the revolutionary process.

Agrarian Reform

For many years the FSLN felt that, given the fact that Nicaragua has the characteristic of an agricultural country, the demands of the peasants should have a basic place in the country's political plan. This necessarily implies that there should be plans for deep and fundamental reforms in the landowning system and that a rigid control should be established over the land lease rates. Consequently, the government of reconstruction promoted the agrarian reform plan through the National Agrarian Reform Institute [INRA] and froze the land lease rates at 300 cordobas per manzana of cotton and at 100 cordobas for basic grain.

Parallel with this, the Association of Farm Workers [ATC] was established in the country. This is the great association of Nicaraguan peasants. [applause] These farm workers, with the freedom to organize for the first time in history, are the ones who convert into deeds the ideals of the peasants who made up the army for the defense of the national territory, the ideals which were the cooperativist dream of General Sandino.

Our agrarian reform converts into reality the dream of thousands upon thousands of peasants who were massacred between 1972 and 1975 in the northern mountains by the genocidal Somozist guard. It is the embodiment of the ideals of martyred peasant leaders like Jacinto Hernandez, like Bernardino Diaz Ochoa whose words are today the battlecry of the agrarian reform program and like Filemon Rivera, Fabian Rodriguez, Terencio Munguia, Moises Munoz and Leonardo Lopez.

By virtue of Decrees 3 and 38 issued by the Junta of the Government of National Reconstruction, which provided for the confiscation of the property owned by Somoza, all Somozists and their accomplices and followers, 1,170,000 manzanas of land have been turned over to the people. This includes approximately 50,000 manzanas whose owners are not subject to confiscation, and which had to be expropriated with compensation pursuant to Decree 329 issued by the government junta.

Of this total, 810,000 manzanas are suitable for cultivation and the remaining 360,000 consist of mountainous regions or other lands of little or no agricultural worth.

A group of varied situations related to the low productivity that had been inherited gave the INRA special problems of administrative organization and production. In response to these matters, an institutional mechanism was developed to solve all these problems. There was a gradual clarification of the situation existing in the agricultural sector which changed from a situation of dual leadership in the sector--that was resolved by making INRA subordinate to the Agricultural Development Ministry in January 1980--to a situation in which policymaking in the entire agricultural sector was consolidated.

INRA's plans for this year include planting 100,000 manzanas of cotton, 48,000 manzanas of basic grains, 16,000 manzanas of coffee and 11,500 manzanas of sugarcane. In addition, 46,000 heads of cattle were slaughtered. Production will include 17 million liters of milk, 2.7 million dozen eggs and 434,000 pounds of chicken, which will alleviate the food shortage caused by the war in the country.

Renovation of Coffee

The Agricultural Development Ministry has carried out a program for the renovation of coffee fields affected by coffee rust in order to solve this serious problem which Somozism merely disguised. The replacement of over 1000 manzanas of old and unproductive coffee plants by a new variety that will multiply traditional production five times, is being carried out by CONARSA [not further identified] in a gigantic effort that is without parallel in Latin America and that only our Sandinist revolution could have made possible.

In the area of training, the Agriculture Ministry is planning programs to raise the political, organization and technical levels of the sectors involved in agrarian policy. Its main objective is to seek the participation of workers in the economic activities of the agricultural sector.

Regarding investments to bring about the welfare and improved standard of living for farmworkers, INRA has been active in the areas of health, nutrition and housing. In the health area, many first aid kits have been distributed at INRA's productive units and the 1980 program provides for 1,500 units, which would provide medical attention for practically all the INRA's workers.

By means of an agreement between the Health Ministry, the Social Security Institute and the Agricultural Ministry, health centers will be established for INRA's sugarcane workers, to provide first aid at productive centers not only for the workers, but also for their families and the inhabitants of each area in general.

Regarding the agricultural policy and considering all the country's productive forces, the principal objective is the achievement of the production goals of the economic reactivation program for the benefit of the people. In overall terms, this means reaching 80 percent of the 1978 production levels. This implies planting at least 175,000 manzanas of cotton to obtain a production of 400,000 bales; cultivation of 140,000 manzanas of coffee to produce 1.3 million quintals and 56,000 manzanas of sugarcane for an estimated production of 102 million quintales of sugar.

For consultation among all the sectors involved in agricultural activity, including the private sector, agricultural commissions were established for each product to advise the ministry in fulfillment of its duties. At present, representatives have been named to each commission, with priority given to the cotton and cattle commissions.

In the case of cotton, the area of cultivation in the 1979-1980 season was a mere 20 percent of the traditional area planted in the country. In order to reach the goal of 165,000 manzanas, the consultative commission has been negotiating with producers who have been opposed to the financial land lease policy, as well as to the fiscal policy. As of 25 April, 135,000 manzanas have been registered, including INRA's 20,000 manzanas in Leon and Chinandega.

As far as milk is concerned, deliveries were reduced in 1979 by 50 percent from that of the preceding year.

According to estimates, as of June 1980 milk delivery will be 80 percent of what it was in 1978.

Some of the measures adopted to reach previous consumption levels include a readjustment of prices agreeable to producers and in line with milk production costs.

A top price has been established in this regard and reconstituted milk is being promoted. The government is prepared to discuss with cattlemen a new policy of incentives for the production of milk and beef in order to secure its immediate development.

Rural Credits

From July 1979 until now, Procampo [program to develop agricultural cooperatives] has had a significant expansion in both the covered-area aspect and the number of people being cared for, and now has the capacity to service most of the country's small producers. The services are being given directly to more than 1,100 rural communities.

Procampo works closely with organized groups, and especially with the ATC [Farm Workers Association]. This has been very useful in preparing programs, in identifying problems that affect small producers and in determining the necessary actions to solve them.

Procampo, in line with policies on small producers, is facilitating production material by providing part of the credits for direct production in the communities. During the first part of 1980, it is estimated that more than 70 million cordobas worth of production material will be given to organized small producers.

Agricultural Industries

The People's Property Area [APP] which comprises the agricultural industries managed by AGROINRA, administers a variety of producing enterprises that represent a great source of employment and create wealth for the country, food for the domestic market and export products for international markets.

We have been able to consolidate the sugar sector, operating five state sugar mills that will produce approximately 2 million quintals of sugar this year. By expanding the area planted with sugar we will have a 20-percent sugar production increase for next year's harvest and in 10 years we will be able to double this production.

The plans for the expansion of the sugarfields include the installation of a 50,000-liter distillery that will allow us to use hydrocarbon alcohol for vehicles. The first experiments on this are already being carried out.

Regarding tobacco, not only did we recover traditional export markets in the United States, but we also broadened those markets to Costa Rica, Honduras, Great Britain and the Netherlands. In spite of the sacking, theft and destruction in the Jalapa plantations and installations, we have been able to completely reactivate the tobacco sector. This year we will export $4.3 million in tobacco and there will be permanent jobs for 4,500 workers, mainly women.

Regarding the coffee sector, the 23 AGROINRA processing plants produced 289,000 quintals of coffee for export. The AGROINRA slaughterhouses provide jobs for 1,500 heads of families. During the first semester of this year we have had a general production of approximately 14 million pounds of beef.

AGROINRA is also actively producing rice, cotton, yucca, poultry and eggs, pork, milk and dairy products, concentrates to feed animals and plants, vegetables and fruits for export purposes and sesame.

The People's Property Area

As we can see, the Sandinist people's revolution took from the hands of the exploiters and thieves who had gotten wealthy under the dictatorship thousands of manzanas of land, sugar mills, (?tobacco) plantations, cattle ranches, huge coffee plantations, coffee processing plants, cotton gins and textile factories, cement and construction materials factories, fishing fleets and a large number of industrial and commercial transportation firms which are now producing for the good of the people who achieved the revolution with weapons in hand.

Mines

Along with the firms confiscated from the Somozist mafia of venal ministers, genocidal military, their accomplices and flunkies, the mines nationalized, in one of the most beautiful and sovereign actions, taken by our revolution, are also part of the APP. These mines in Limon, Siuna, Rosita, Bonanza and La Libertad were exploited for decades by merciless foreign companies which left behind only tuberculosis and desolation. The decree nationalizing the mines thus brought about one of our people's historic claims, one of the firmest demands of General Sandino's struggle. We can now say that, in the hands of our people, Nicaraguan mines have produced 26,000 ounces of gold and 98,000 ounces of silver, not to mention the mineral extractions at La Libertad which will begin in June.

We are extracting, processing and exporting gold and silver. We maintain sovereignty over Nicaragua's mines as we do over our forests and over our seas. [applause]

Our brother miners who have been exploited for so long and their needy families must start receiving the benefit of their sweat and their efforts. That is why we have announced a development plan for the mining areas in which 47 million cordobas will be invested in installing and improving water and electrical services and in building homes, recreation centers, schools and health centers. The Housing Ministry will be in charge of implementing this program.

The creation of the Mines and Hydrocarbons Institute has allowed us to make the mines produce in a more rational way and to start outlining a development policy for metallic and nonmetallic minerals. Our revolutionary laws have also nationalized the exploitation of all gypsum deposits and rock, marble and other quarries.

Fisheries

Fisheries, a very profitable activity under Somoza, was left totally looted when the revolution came to power. Company assets had been fraudulently sent out of the country. Many ships' flags were changed in the last days before the dictatorship was toppled and then taken abroad. Our government's patient and tenacious effort has resulted in the recovery of a large part of this fleet which was mostly in San Andres, Honduras, El Salvador and the United States, and now we have been able to reorganize the exportation of red and yellow snapper, lobster, crayfish and shrimp.

Just from December 1979 to April 1980 our Nicaraguan Fishing Institute [Instituto Nicaraguense de Pesca--INPESCA], created to make the conservation and exploitation of these maritime resources more rational, has been able to export almost 5 million pounds of seafood with an export revenue totaling $20 million. In addition to improving exports by increasing the fleet and improving the fishing techniques on our two oceans, our immediate goal is to reactivate the production of trawlers in our [words indistinct]. In addition to the production of fiberglass trawlers, we have a new line of wooden boats and we will soon have a third line of concrete and iron ships.

Another priority of the revolutionary government is the organization of fisheries for domestic consumption so we can offer our people alternative food items rich in protein and also increase our beef exports by providing an alternate food item for domestic consumption. Both IRENA and INPESCA are busy promoting the organization of fishing cooperatives on the seasides, at the rivers and at the lakes.

The Peoples Industrial Corporation [COIP]

The COIP arose out of the need to specialize the state production apparatus in the administration of the various economic activities that during the first 5 months following the revolutionary victory were managed by the National Reconstruction Fund. With the reorganization of the state apparatus on 27 December 1979 to suit the needs of the revolutionary process, the Industries Ministry was created and the COIP under it so it could administer the industrial firms which up to that date had been administered by the fund.

These enterprises have been organized into the following eight industrial sectors: plastics, textiles and clothing, lumber, food, chemical-pharmaceutical, metalworking, construction materials, and paper. Out of 109 enterprises, 99 have been reactivated. That is, 93 percent of the total have been reactivated. The greatest degree of reactivation has taken place in the enterprises in which the state holds a majority of shares and in the enterprises which have been directly intervened.

From January to March, the enterprises in which the state holds a majority of shares have recorded a production growth of 147 percent; the enterprises in which the state has a minority share, increased by 133 percent.

About 150 million corddbas in financing, equivalent to approximately 52 percent of the financing required by all the enterprises, has been obtained.

Employment in the industrial area of the people's property has been increased with 1,200 new jobs, equivalent to 44 percent of the COIP's goals for 1980.

Mechanisms for the participation of workers in the administration of enterprises have been established. This is very important. Progress has been achieved in the drafting of plans for management by workers which are being discussed by the mass organizations and whose guidelines were explained in a recent seminar attended by administrators and workers of the enterprises.

The People's Commercial Corporation also falls under the People's Property Area. It administers a number of people's supermarkets, staple products stores, movie theatres and other enterprises.

The Tourism Corporation administers and develops hotel and recreational projects. The Transport Corporation manages our shipping line, the national airline and land and water transportation enterprises.

The Sandinist people's revolution sees the people's property not as a formal accumulation of enterprises and businesses recovered from Somozism and the accomplices of Somozism but as the true axis of our economy. It is an area which in the future should be diversified and developed to cover the strategic areas of the national production for the processing of our raw materials, the diversification of industrial production, development of the agricultural industry and the development and protection of natural resources. This is viewed within the concept of a mixed economy but bearing in mind the principle that only through a truly planned development at the central level can we achieve the goals of deep transformation of the country's structure. In this way, the people's property will achieve its real significance and importance.

The Advance of the Revolution in Public Services

Perhaps the institutions in which Somozist corruption was most widespread and which became the real hideouts of thieves were those providing public services. The revolution has not only cleaned up their administration, concentrating functions which were dispersed and ambiguous, but it has also given them new dynamism and a real popular character.

Electric Energy

In the energy sector, the creation of the Nicaraguan Energy Institute meant the end of fraudulent practices which characterized the old national light and power enterprise. Approximately 35 million cordobas have been invested so far in the implementation of projects. This means progress in the area of rural electrification. Substations have been built in Sebaco, Acoyapa and Santa Rita. More than 80,000 new meters of transmission and distribution lines have been installed. The number of customers in the popular neighborhoods has increased and six private electric companies have been nationalized in various cities.

We inherited the Momotombo hydrothermal project which Somozism had proposed for showcase purposes and in which a large investment had already been made. The government is seriously examining the real possibilities of producing energy from badly drilled wells which do not fulfill the specifications. False expectations on the wells' production possibilities were raised by Somozism. We believe in the possibility of the development of geothermal projects and we will continue to explore with realism their implementation.

Drinking Water

The old Managua water enterprise was merged with (Denatal) to establish the Nicaraguan Aqueducts and Sewers Institute [INAA]. INAA has truly given the expansion of its services popular character. It has drilled wells and installed pumping equipment, house connections and water faucets in poor neighborhoods. The installation of sewers has progressed despite the deficit in this area which was inherited from the enterprises created by Somozism. In the cities of the country's interior where the drinking water problem is more critical, work has begun on the expansion of aqueducts and drilling of wells.

We can say that the call for the reduction of water consumption in Managua to prevent the critical reduction of the level of the Asososca Lagoon is being heard by our people and the campaign is a full success.

Communications

We have achieved notable progress in the National Telecommunications and Postal Directorate. We already have automatic telephone service with Bluefields and Rama. The microwave system has permitted the operation of a television channel for the South Atlantic area. [applause] Never before had either the telephone or television system reached the Atlantic area. [applause] We have installed a new system of radiotelegraphy for remote locations such as Puerto Cabezas, Corn Island, Prinzapolka, (Lamicamba), Siuna, Bonanza, Rosita, Waspan and 13 to 15 other towns mainly in the Atlantic sectors. These areas now have communications with other parts of the country.

The Atlantic Development Institute

The preferential treatment that our revolution is giving to the Atlantic area is shown by the creation of the Nicaraguan Institute of the Atlantic Coast which has been given the rank of a state ministry and which has its headquarters in Bluefields. This institute coordinates and deals with the problems of agricultural production, mining production, forest exploitation, fishing, services infrastructure, water transportation and other sectors of the Atlantic area. For the revolution, the development of the Atlantic coast depends on a global project and the ability to achieve its true integration with other areas of the country. For this reason, we are giving priority to the development of transportation through the use of modern and safe vessels on the rivers of the Atlantic area, mainly from Rama to Bluefields, by sea to Corn Island and Puerto Cabezas and on the Grande, Prinzapolka, San Juan Rivers and the Gran Lago de Nicaragua. Three of these vessels are already operating. A fleet of 15 ships with passenger capacities of 30, 75 and 150 and a fleet of tugboats for cargo will be operating before September.

A medium-wave station has been installed in Puerto Cabezas and similar radio stations will soon be operating in Bluefields and San Carlos.

The projects for the construction of all-weather roads between Rio Blanco, Siuna and Puerto Cabezas and between [name indistinct], San Miguelito and San Carlos will make possible for the first time in Nicaragua's history a real integration with the Atlantic area, the opening of new agricultural areas and the real incorporation of thousands of Nicaraguan brothers into education, production and health.

Transportation

The creation of the Transportation Ministry has enabled the revolutionary government to organize the policy for the growth and overall improvement of transportation, one of the most evident ills of the past. In the city of Managua, bus transportation was one of the worst signs of Somozist corruption and its disregard for human dignity. It has begun to be improved with 178 new buses which cover 76,000 km daily. Three hundred more buses will be operating in the next 3 months. We are improving the bus terminals and we are also promoting highway safety programs through the Sandinist police.

The railroad, one of the cadavers of Somozism, is being rehabilitated. From August to December 1979, we were able to transport 20,000 tons of cargo and we have repaired and placed into service 160 railroad cars.

The railroads between Managua and Corinto and between Managua and Granada have been rehabilitated. We expect an accelerated development of railroad transportation in Nicaragua in the future.

Natural Resources

The Nicaraguan Natural Resources and Environment Institute has the responsibility to plan, administer, control, investigate, manage and utilize natural resources, the nation's heritage.

Among our achievements, we can point to the promoting of cooperative associations of small-scale fishermen, which we have already mentioned, and the initiation of an erosion control project in the west and reforestation of the [word indistinct] through the establishment of windbreakers in a critical 40,000-hectare area. This project has opened 400 jobs for peasants of the region and will put an end to the grave problem of dust storms in the west.

Over 20 million cubic feet of timber are to be exploited in addition to the sale of 2,200 tons of paper mulberry and amber wood.

Regarding the protection of forests and fire controls, we are continuing to care for 410 hectares in northwestern Nueva Segovia.

Organization of the Municipalities

The Secretariat of Municipal Affairs was created for the fundamental purpose of coordinating and orientating the work of the 136 municipal reconstruction juntas existing in our country. To date, and in coordination with the organizations of masses, the 130 local governments have been established through popular consultation. Plans for the [word indistinct] of all the nation's municipalities have begun and are in the process of being published in the gazette, the budgets of all the municipalities have been drafted.

The secretariat has organized itself internally and presented a draft bill creating municipal juntas, which is under consideration. It also drew up basic designs for markets of various kinds, stores and community houses, financing about 30 projects in different municipalities of the nation.

In addition, the Junta of the Government of National Reconstruction has taken upon itself the task of improving the revenue systems in order to invest in the city of Managua because we all remember what the famous Somozist national district meant.

The most important construction task to be undertaken has been the Luis Alfonso Velasquez Flores National Park, being built at a cost of 20 million cordobas in the [word indistinct] in downtown Managua.

In this first quarter, the Managua junta completed roads, river channeling and other community improvement works.

Historical Problems of the Nation

Health [subtitle]

The main change in Nicaragua's health system is the priority being attached to the implementation of a system which, in addition to being unique, is preventive. Only the participation of an organized nation can lead us to an overall solution of health problems. In our efforts to achieve our goals, we are facing great difficulties, which are the result of the system established by the dictatorship. In addition to having built-in errors, the health system was profit-seeking during the 45 years of dictatorship and it reached unimaginable levels of corruption. In addition to fighting this corruption, we are making qualitative changes in our human resources to put them in line with changes in the administration.

Regarding the training of human resources, we have succeeded in creating a vice ministry that will take charge of this specialty. Regarding the training of health brigade members incorporated into the EPA [Peoples Literacy Army], we outlined the education profile and the labor profile, which will allow us to fully incorporate organized people into health activities in the most unprotected circles of the nation.

With regard to the construction of hospitals, blueprints have been completed for the Matagalpa Hospital. The excavation of the foundations is 60-percent complete. The blueprints for the hospitals in Bluefields, Masaya and Rivas are completed. We have encountered serious difficulties in starting work on these projects, but they are being solved so we can meet our goals.

With 40 more health centers and 10 more hospitals in 9 months of government, we have increased the number of health centers from 130 to 170 and the number of equipped hospitals from 36 to 46. At the Childrens' Hospital, work is continuing with a donation from the Swedish Government. Health posts have been completed in Masaya and Granada. There has been 70-percent progress in 5 posts in the departments of Leon, [name indistinct] El Jicaral, San Jacinto, Cristo Rey and Chinandega, real [word indistict]. Bids have been invited and work has been initiated on 12 other posts: 2 in Rivas, 4 in Carazo and 6 in Managua Department.

But there are many other projects which, thanks to the organized effort of the people and their organizations, have been either happily completed or are in the process of being completed, as is the case of the Primavera health center, which offers medical care to 70,000 inhabitants of 14 districts; the Carlos Rugama and Salomon Moreno health center, which attend to the needs of 75,000 inhabitants in 12 neighborhoods; Villa Venezuela, which used to be America No 4, which attends to the needs of 70,000 inhabitants in 18 neighborhoods. In Ciudad Sandino, the people are about to finish building their own health center. These centers generate outpatient consultation services, about 1,000 conslultations per day, with the subsequent benefit to the people.

Other examples are the cases of Jalapa, where an area clinic has been opened which attends to the needs of 30,000 inhabitants, (Huimuili), Santa Clara, Mosonte, Huaslala and so forth, all of which are designed to extend health services to rural areas, offering the people the plan of economic reactivation.

We are in no way saying that this year, we will solve the nation's health problems, but we are making a serious and firm start.

Vaccination campaigns have to date immunized an average of 60 percent of the child population since the victory of the revolution. This percentage is a lot higher than that of many nations having [word indistinct] regimes. This may not appear to be a revolutionary matter, but the fact that we vaccinated our children against the disease that traditionally killed them is, in fact, a revolutionary matter. For example, we can point to some of the most significant achievements in the first quarter of 1980: Antipolio vaccinations achieved 114 and 121 percent of the proposed goals.

Education

The first efforts of the Government of National Reconstruction have been to define, with a national sense, the principles or education. Our new education is popular in nature and is destined to train the Nicaraguan man, the new man of the revolution, who has solidarity with the revolution and who is technically prepared to meet the future. In order to train and educate people, we take into consideration modern scientific research processes which enable us to explore scientific realities and which should help us meet the needs of the nation through technical and scientific progress.

It is a system which, by permitting the participation of pupils, parents and community in general, generates a critical and liberating education in contrast with the alienating and profiterring mechanism which characterized the old system. This concept implies a criterion of regionalization based on administrative and technical centralization which permits us to satisfy the needs of each region.

It can be said that our revolutionary education has achieved the following basic fundamental goals: free and compulsory primary education, which before was only classes, and free middle-level education and the drastic reduction, up to 90 percent, of the cost of enrollment and tuition in higher education at the national university. [applause] This has resulted in a considerable increase of the student population at all levels. We have succeeded in reducing the cost of school supplies.

A total of 2,100 primary schoolteachers has been incorporated in the school system. Of this total, 600 are teachers who took over positions that had existed before on paper only; 1,200 are teachers of the Augusto Cesar Sandino International Brigade of the sister republic of Cuba with the capability of teaching 84,000 pupils [applause], 100 Spanish teachers and 100 Costa Rican teachers who are about to arrive. [applause] [figures as heard] They, too, will join this national effort.

We are creating 209 full-time posts for high school teachers. We have increased high school education by some 3,000 class hours, expanding the service offered to 24,000 youths. We have repaired 60 primary schools damaged by the war and 22 high schools. We have begun building 22 primary schools and 18 junior high schools in rural areas at a cost of 45 million cordobas. The total of new school desks amounts to 25,000. These are just the first steps. We are really at the beginning of the change in the quantity and quality of our revolutionary education.

With regard to higher education, we have created the National Higher Education Council which, for the first time in our country's history, allows us to have a positive and efficient instrument to direct the higher education policy toward the purposes of a revolutionary change.

The training of human resources in technical and scientific fields will now abide by a new design adapted to the nation's real needs and to the national economic development plans involving all higher education centers in the country. For the first time in our history we have assigned sufficient financial resources to our national university and we shall emphasize the training of personnel in health, middle education and agriculture.

The enrollment in the first year of these programs will include 500 medical, 500 agricultural and 700 educational school students. This is the greatest effort ever made in our country in this field.

The National Literacy Campaign

Perhaps no other program in our revolution has sparked so much enthusiasm, imagination and sacrifice among our youth masses, teachers and technicians, as the literacy crusade. Illiteracy is the first of the underdevelopment obstacles which our revolution will overcome this year. [applause]

We have mobilized 180,000 teachers in the Peoples' Literacy Army which is composed of revolutionary youths, and deployed them throughout our country, in the workers literacy militia and the Black-Red brigades operating in our towns and cities.

This is an unprecedented effort in Nicaragua. Only the inspiration of a revolution like ours, the morale of the young brigade members, and Sandino's spirit could have attained this feat of logistic and organization. [applause]

This crusade, organized only 6 months after the triumph, will bring dignity and the light of the alphabet to the people and create the opportunity for over 900,000 Nicaraguan brothers to participate in the building of our history. A factor which must be mentioned is the determined and militant participation of Nicaraguan teachers organized in the National Association of Nicaraguan Teachers which is a pillar of revolutionary changes in education. [applause]

Culture

The Sandinist peoples' revolution has organized a Ministry of Culture as part of the process of change in our society. In Somozist times, culture was a dead issue and was used only for foreign penetration. Today we are trying to build a revolutionary culture which will create and transmit peoples values and national aspects and which will lead us to the integral creation of the Nicaraguan man.

If culture was formerly the restricted preserve of a minority, today it will be the privilege and right of the masses. [applause] The preservation and promotion of our cultural, archeological and historical heritage; the opening of new museums; the research of our cultural past, culture and tongues; the promotion of arts, literature and cinema which is formidable cultural novelty in our country--all this creates for the first time the tools to build a national culture and organize a system. Although we had never had a film industry in Nicaragua, ours has already won prizes in two film festivals. [applause]

Our dance groups and musical groups have multiplied throughout the country. Our people have a strong desire to participate in culture and make it theirs. The revolution will guarantee this right.

Labor

Seeking to guarantee the compliance with the workers' rights throughout the country, we have labor inspectors now working at all municipalities whom have been given the power to hear complaints involving no more than 4,000 cordobas. In this manner we have established a free and flexible procedure. Today, a labor complaint takes about 1 month to be resolved while in the past it took over 2 years. The Juridical Consultation Department has resolved labor complaints in 6,523 hearings and has guaranteed labor rights by ordering the payment of over 13 million cordobas in unpaid salaries to workers according to a decree which represented the first conquest of the Sandinist revolution in favor of the working classes. [applause]

In the past, the Collective Bargaining Department, during its 14 years of existence, only signed 101 labor contracts. Now in just 9 months, 122 labor contracts have been signed, more than all the ones signed in the past. A total of 457 unions are registered in the country of which 279 are new unions registered during the revolution. These figures give us the following averages. In the times of the dictatorship 27 unions were legally registered per year. Now an average of 32 unions are registered each month. [applause] This belies the campaign waged abroad that there is no labor organization freedom in Nicaragua.

The Hygiene and Occupational Security Department, during its 4 months of existence has inspected 507 work centers. The labor technoligizing programs have graduated 243 workers. We have acted in strict compliance with the minimum salary and labor relations and we have given technical advice to 231 cooperatives which were promoted by the Labor Ministry and which include 27,000 members. The National Reconstruction Government is fully aware of the need to make a salary readjustment for urban and rural workers who are in the lower pay scales.

For these workers, and in accordance with the demands presented by the Agricultural Workers Association on 1 May, we are going to begin the immediate revision of salaries which are below 1,200 cordobas per month in order to make a readjustment that will give minimum justice to the needs of the families of poorer Nicaraguan workers. [applause]

We also want to announce that the fund to fight unemployment created by the solidarity support of the Nicaraguan workers already totals about 66 million cordobas. This money will be invested in creating sources of work in the areas of construction, clothing, production groups and other critical unemployment areas. The use of such funds will be explained to the workers cent by cent.

Social Welfare

In order to provide service to a broad sector of the society which was never taken into consideration, the governing junta of national reconstruction has created the Ministry of Social Welfare with an initial budget of 6 million cordobas for implementing programs. This ministry substituted for anarchronistic and corrupt organizations of the past regime such as (JOTANAP) and (JOTAIAP), which for years had been at the service of corruption and sinecure.

The Social Welfare Ministry, which has a nonpaternalistic vision but which has the true participation of underprivileged sectors in the great social tasks ahead, has created several types of services that may be productive for the beneficiaries. Thus, 12 children's development centers have been created to attend to orphans and make the work easier for those parents who have nobody to care for their children.

In addition, four rehabilitation centers were also established to train those persons who may have been physically disabled to become useful and productive. Eight homes for the aged have been created to return the dignity to many who had been abandoned by the Somozist regime as useless parts of a machine. A total of 12,000 food pensions has been distributed, and the minors' rehabilitation center has been organized.

The Supply Committee was also created to distribute food at the most urgent times during the first months of the reconstruction period in order to constantly increase this program of food for work.

In the productive sector, 31 collective units of production have been created, which benefit 236,000 persons, in addition to various carpentry and other trades shops.

A scholarship program is underway, which already has granted 1,186 scholarships for study in the sister republic of Cuba.

Housing

Anarchy, favoritism, deceit and fraud were the traditional traits of housing policies during the Somozist regime. The Sandinist revolution's creation of a Housing Ministry has provided our country with a true orientation in the field of housing. We must point out two fundamental aspects in this new policy: The intervention of the so-called illegal neighborhoods [repartos clandestinos] which constituted one of the most heartless forms of exploiting needy Nicaraguans who sought the opportunity of having their own housing, the owners of these bloody businesses not only had their properties taken over but also their bank accounts and other assets, in retribution for all the projects that never were built in their miserable illegal neighborhoods. [applause]

The other fundamental aspect is the new tenancy law, which brought justice to the situation of the laborers' living quarters and other unhealthy and ruinous houses, and which cut the rent in half in direct benefit of thousands of Nicaraguans.

In order to complete this policy of reducing the house rent, the Housing Ministry and the national savings and credit system have recently reorganized by government decree the conditions of payment by the rentees, pardoning those who are late in making their payments, reducing the interest and granting new terms for amortizations.

Studies are underway to determine the need for redistributing the population in order to establish a planning system for human settlements and to avoid disorderly growth. An integral project of the Monimbo District was drafted to facilitate the development of that heroic community, which is the object of special attention on the part of our revolutionary government.

Among other studies for rural settlements, the one for the Paredon Community is already completed in Chinandega, as well as the studies for the construction of 1,500 urban houses in Bataola. A 500-house project is being drafted for El Paraiso District in Leon, and we hope to start construction this year. Another project for 200 houses has been drafted for El Recreo District in Leon, while plans have been started for housing programs in the sectors of Mina.

A study has been prepared on the damage caused during the liberation war in the country's most affected cities. This study was fundamental to obtaining donations that permitted the repairs of 4,000 damaged houses. The Villa Fraternidad project has been built; it has 83 houses which are already being used.

This project was made possible through the very efforts of the residents of the district. The Jose Isaias Gomez Project, once known as the "Illegal Profit," has been continued by contracting small contractors and forming construction brigades made up by the beneficiaries. Of the 466 houses in this project, 80 horses made of block and 52 made of prefabricated wood have already been completed, thanks to a donation from the Venezuelan Government. [applause]

Financing System

The nationalization of the banks was a measure that broke the back of the nation's financing oligarchy and placed the resources of national savings at the service of popular development. From the start our government took measures to normalize the nation's economic activity through the most important national financing system. The 204 banking financial offices now attending the public's needs are proof of this effort. Of these offices, 130 are located in the departments in the interior of the country.

Likewise, the National Development Bank, in order to improve its attention to the rural sector, has opened 11 additional agencies in that sector of the country and has created an airplane-linked banking system for the remote, inaccessible sectors. As of August 1979, there has been a significant increase in the deposits compared to July of the same year. In annual terms, the deposits increased by 173 million cordobas. The total deposits of the financial system reached nearly 4 billion cordobas by the end of 1979.

After the victory of the revolution, the following credits were provided for the agricultural and livestock sector: 240 million cordobas to take care of cotton and coffee production activities; 34 million cordobas for sugarcane production; 31 million cordobas for basic grains; and 17 million cordobas for fattening steers.

The industrial sector has received nearly 300 million cordobas, while the small rural producer has received new credits for 82 million cordobas.

During the present year, the financing system is playing a most important role because it will be responsible for directly financing the entire process of economic recovery, in which agriculture-livestock export products, the production of basic grains and the production of the enterprises owned by the people take priority.

On the basis of the dynamic recovery observed, it is expected that the public deposits will have increased by some 2 billion additional cordobas in 1980.

The national financial system will deepen its structural changes to place itself truly at the service of the national transformation of Nicaragua and its economy. We are going to consolidate four commercial banks in the country in order to handle the financing of public and private productive activities and we are going to create a single savings institute for real estate purposes.

This reorganization of the financing system will permit a more dynamic and efficient operation to respond to the nation's new economic reality.

Central Bank

The Central Bank has played a highly dynamic role as the supplier of financial resources in light of the pressing need for liquidity felt by the government and the financial system itself. In the first quarter of the year, loans totaling 2.5 billion cordobas were granted; 2.1 billion cordobas were recovered and the bank's balance totaled approximately 4 billion cordobas as of 31 December 1979.

The Central Bank's international money reserves increased by $89 million, to total $113.1 million at the end of 1979. Reserves in domestic currency, totaled $202 million as of 31 March. We must not forget that Somozism left us a Central Bank with $3.5 million in reserves.

Insurance

On 16 October 1979, the nationalization of the insurance system was decreed and the Nicaraguan Insurance and Reinsurance Institute [INISER] was created. This revolutionary measure, which complements the nationalization of banking, has permitted the establishment of a single insurance policy in the country and allowed us to take charge of contracting all air and maritime insurance, which formerly was handled solely by foreign companies.

Additionally, we have also entered the field of reinsurance for the first time, thus consolidating the prestige of INISER.

International Aid for Reconstruction

The total amount of donations received, both in cash and in goods and channeled through the International Reconstruction Fund [FIR] since its creation in September 1979, is $100 million. This does not include technical assistance from countries or organizations that are channeled through the Planning Ministry. These donations come from various countries in Latin America [as heard], such as Mexico, Venezuela, Brazil, Peru, Cuba, Canada, the United States, Sweden, the Netherlands, Spain, China, Italy, the FRG, the GDR and many others.

The total amount of new loans and credits contracted for with other governments is $78 million. Only the FRG has granted a loan of $15 million; the rest consists of agreements of credit to finance exports of the respective countries.

The total amount of loans from multilateral institutions, including new and refinanced loans, is $355 million, of which some $50 million has been disbursed so far.

The total sum of resources registered and channeled by the FIR as of March, 1980 is $376 million. This includes grants, credits and new loans. If we add to this previous loans that were refinanced, we have a grand total of $525 million.

Thanks to its international prestige and the support extended to us, our revolution has managed to negotiate these loans on terms which are unprecedented in the international financial community in view of the low rate of interest, averaging 4.5 percent; the grace period, averaging 10 years; and the length of time for repayment, an average of 35 years. We could say that the terms of the contracts constitute one of the silent victories of our revolution. [applause]

On the other hand, we must inform the Nicaraguan people that the refinancing of the heavy foreign debt le us by Somozism, which totals almost $1.7 billion, is still being negotiated and that we are determined to obtain the best conditions that are fully in line with the limitations of our present economic situation and the needs of our future economic growth.

We take this opportunity to declare our profound, fraternal gratitude for all the help received by our fatherland ever since the revolutionary triumph. This generous aid has been material, but also humane. Thanks to the beautiful gesture of our Mexican brothers, of our Cuban brothers [applause], of our Spanish, Venezuelan [applause], Costa Rican and Honduran [applause] brothers. Over these past months, brigades of teachers, brigades of doctors, road construction teams, teams of architects, and teams which have helped us to train our police and have given us technical assistance in many other fields have arrived in Nicaragua.

Fiscal Policy

In the fiscal area, in addition to the extraordinary increase in tax collection that figures show, an attempt has been made to make taxes an important instrument of the state's economic policy to influence our people's social life. The tax reforms which apply to such vices as liquor and alcoholic beverages [as heard] basically tend to reduce consumption of these products. The partial reforms of the income tax law seek to eliminate pernicious practices like the use of fictitious partnerships and to promote the reinvestment of profits in socioeconomic development programs in conformity with our reactivation plan.

Similarly, there are progressive taxes on the value of traditional exports. These taxes have a great impact on possible profits by preventing excessive profits. They also implement the fiscal policy of giving equal treatment to private and state enterprises, a guiding principle in the policies of the Government of National Reconstruction.

Equality in fiscal treatment of all enterprises, regardless of who owns them, whether they are owned by the state or the private sector or whether they are mixed enterprises, seeks to prevent unfair competition among these enterprises, while at the same time seeking to serve as an element to strengthen the organization and administrative efficiency of enterprises that belong to the state.

The fiscal normalization law, issued in the first months of the Revolutionary Government's administration, has primarily sought to organize the status of many taxpayers. In addition to making it easier for taxpayers to plan their status, it also intended to set the basis for a new relationship between the taxpayers and the state and to erase the shameful experience of the past in the fiscal area as in others.

The registration of over 4,000 new taxpayers who normalized their fiscal situation is eloquent proof of the success of this policy, a fact that is much more valuable than the actual money obtained, which reached unexpected sums and was proof of the confidence that exists in the revolution.

The creation of the 6-percent patriotic tax has also served to permit large sectors of the country to participate in the financing of the programs of national reconstruction.

Special mention should be made of the fact that the collection of customs taxes has netted sums in each of the first 4 months of 1980 that are greater than the highest sums collected under the dictatorial system, despite the present decline in imports.

In other areas, the budgetary implementation laws have been conceived with the intention of limiting unnecessary public expenditure, adapting such expenditure to the real flow of fiscal income.

The allocations included in the budget represent only a ceiling on expenditure and not the right to use the sums granted, since expenditures will be made only to the extent that available resources permit.

In this respect, we finally wish to point out that there are new characteristics in the investment of public expenditure in Nicaragua which have to do with the development of our revolution.

The Health Ministry budget for 1980 is 917 million cordobas. Its highest budget during Somozism was 520 million cordobas, including all health programs. In reality, the old budget was no more than 400 million cordobas, not to mention thefts and embezzlement.

The Transportation and Construction Ministry's 1979 budget was 375 million cordobas. In 1980 when the Transportation and Construction Ministry was divided, the budget for the Transportation Ministry was 763 million cordobas and for the Construction Ministry 861 million cordobas. This is five times the 1979 budget.

The Education Ministry budget for 1980 is estimated at 905 million cordobas, not including the national literacy crusade. This is more than double the 1979 budget, which was only 473 million cordobas.

The budgets for health, social welfare, education--including the national university--and housing are 35 percent of the nation's total budget. If to this we add the Ministries of Construction, Labor, Transportation and Industries it adds up to 66 percent of the total budget. If we take into consideration a subsidy to the Nicaraguan Basic Foods Enterprise (ENABAS) of approximately 280 million cordobas for a basic foods market not included in the aforementioned figures, the percentage is higher.

In relation to incomes, we are expecting domestic revenue in the amount of 3,771,000,000 cordobas. The highest amount collected during Somozism never was above 2.8 billion cordobas.

We are expecting extraordinary reveneus which are mainly from outside sources in the amount of 2.53 billion cordobas. With this the total national income will be 6,298,000,000 cordobas, which, compared with expenditures of 7.1 billion cordobas, shows a deficit of 700 million cordobas for 1980, a fiscal deficit which we consider moderate and manageable and which we expect to reduce by at least half through the policies to be implemented in the budget.

The nation's General Comptroller's Office, which replaces the obsolete Somozist Accounts Department, was created to adequately control public expenditures and administration.

As a first step the comptroller's office has proceeded to eliminate the permanent [word indistinct] in the ministries and has begun to set up a single accounting and audit account system. The revolution has full confidence that this new system will contribute to making public administration as well as the budget operation more efficient and economic. It will provide the Revolutionary Government with all necessary instruments to act with firmness against those who in some way are responsible for embezzlement or irregularities in managing public funds.

Domestic Trade

The domestic Trade Ministry has made progress in the task of strengthening the revolutionary policy in the supply of basic foods in the country and price regulation of these products. The purpose is to organize the Supply Department in order to obtain more benefits for the majority of the people by controlling profits and by eliminating superfluous intermediaries in the distrubution networks. This does not mean that the state is planning to assume by itself all marketing mechanisms of basic staples currently in the hands of private enterprise, particularly the small storekeepers. With this in view, the activities carried out have been basically aimed at two parallel objectives which are also complementary. Efforts and resources of considerable importance have been used by the state to obtain and distribute basic foods. On the other hand, private business is gradually being organized through specific studies of some products. In both cases, a mechanism to guarantee the permanent presence of representatives of mass organizations is being sought, so that they can contribute to the various centers of decision regarding business policies.

The activities which are in the stage of planning and implementation through the Domestic Trade Ministry departments are: the repair and rehabilitation plan of OTAP [not further identified] by improving the services traditionally rendered to farms in cleaning, drying and storing grains. Repairs are going on at this moment in 28 of the 205 silos in the country. Special attention has been given to ENABAS' functional and administrative aspects dealing with the acquisition of grains, limiting importation and regulating distribution. The national distribution plan drafted by the ministry with the assistance of Mexican technicians from CONASUPO [Government Basic Commodities Company] is in progress. Other activities related to the plan have been the opening of people's stores. One has already been opened in El Crucero and 10 more like it, including stores on wheels, are going to be opened. A store on wheels was opened yesterday in Ciudad Sandino. The people's supermarkets in Bello Horizonte and in Masaya are being repaired and will soon be open to the public.

Foreign Trade

According to the plan of the Junta of the Government of National Reconstruction, the state was going to take over the commercialization of traditional basic products which are exported to get better prices and new markets. This is one of the basic gains of this process. At first the exportation of cotton, coffee, sugar, meat and bananas were all in the hands of [words indistinct] the Junta of the Government of National Reconstruction issued Decree 81 establishing the Foreign Trade Ministry. Immediately afterwards, the foreign trade departments were established.

The Nicaraguan Cotton Enterprise, specializing in marketing the nation's cotton production and byproducts, has been the central office in charge of the 1980 exportation program. Exportable cotton production was estimated in 100,000 bales, but due to a drop in production only 97,000 bales were produced, which is not very much. There are 85,000 bales which essentially have been sold ready for exportation.

The creation of the National Coffee Institute as the state enterprise in charge of coffee commercialization abroad has also helped to solve the exportation problem. The latest estimate on coffee production for exportation is 1.2 million quintals. This is worth $181 million, which surpasses the goal of the reactivation plan which was estimated at $179 million. It should be mentioned that 22 percent of exports sold through 28 April were to countries which bought coffee from Nicaragua for the first time.

The creation of the National Sugar Institute, which is the only office authorized to export sugar and molasses, has fostered better prices by selling sugar in packages.

The Nicaraguan Meat Enterprise, a newly-created state enterprise for meat exportation, will be in charge of meat exportation for 1980. Although there have been production problems and an increase in local consumption which has reduced exports from 75 to 70 million pounds, it should make more than $71 million as a result of good prices on the international market.

In addition, several enterprises have been created to produce industrial supplies, such as the Nicaraguan Farm Supply Enterprise, the Nicaraguan Oil Enterprise for Oil Imports and the Nicaraguan Exports Promotion Enterprise to encourage the export of the country's nontraditional products.

Foreign Policy

Our country's incorporation as a full member of the nonaligned movement is an act of sovereignty by Nicaragua and expresses our support of the principles of nonintervention in the domestic affairs of peoples, self-determination, independence and social progress. [applause] Therefore, we fully identify with an international order of relations based on justice and with the establishment of a new international economic order.

Our Foreign Policy is an Anti-Imperialist and Nationalist Policy. [applause]

The establishment of diplomatic and trade relations with Third World countries of Africa and Asia and with the socialist camp countries is part of the reaffirmation of that sovereignty and independence we have achieved. [applause]

In March, we attended the meeting of Central American foreign ministers convinced that the integration process of the area must be based on the self-determination, independence and sovereignty of our nations in the face of aggressive policies. We also want Central America and the Caribbean to be zones of peace, free from maneuvers and military threats. [applause]

The next meeting of Central American foreign ministers will be held in Managua in June at a time when our region is shaken by social actions that have a significant effect on our people's history. Therefore, now more than ever, we support the San Jose Declaration whose principles are an inherent part of our revolution's foreign policy. These include respect of the free self-determination of peoples, the principle of nonintervention, sovereignty and territorial integrity.

We must state that our relations with Mexico, Cuba, Venezuela and the other countries of the Andean Pact are very good. We have obtained aid and cooperation in economic fields as well as technical advice and personnel training from those brother countries. [applause]

With the United States of America we have established a new field of relations as of 19 July 1979 based on the need for mutual respect of sovereignty and the right to self-determination. Within this climate, we have received from the U.S. Government financial cooperation and material aid for the process of national reconstruction. [applause]

We have established relations with African countries. Today, when the collapse of the colonial empire is essentially over and when the old colonial world has entered a new phase, the struggle not only for national liberation but also for the social emancipation of these peoples has clearly emerged. Nicaragua has expressed solidarity with these peoples.

Nicaragua has voiced solidarity with the frontline states and it condemns South Africa's aggressions against its neighboring countries.

We recognize the POLISARIO Front as the only legitimate representative of the Saharan people. [applause] We also support the Palestinian people's right to self-determination and we recognize the Palestine Liberation Organization [applause] as the genuine representative of the Palestinian people.

We also recognize the legitimate rights of the people of Namibia as represented by the South-West African People's Organization and we recognize the East Timor people's right to independence.

We condemn the apartheid policy [applause] as a violation of the most fundamental rights of human beings and we ratify the international convention on the abolition and punishment of the crimes of apartheid.

As an unpostponable decision for the integrity of our territory and the defense of our sovereignty, our government declared the nonexistence of the Barcenas Meneses-Esguerra treaties which granted Colombia the islands of San Andres and Providencia. [applause]

In the same clear and sovereign manner, we opposed the U.S. Senate ratification of the [Sacho-Vasquez Carrisoza] treaties which also granted to Colombia the Serrana, Quitasueno and Roncador Cays which belong to Nicaragua. [applause]

We could never grant validity to the unjust [word indistinct] of our fatherland especially when such treaties which violate international law were signed at a time when Nicaragua was occupied by foreign troops and what existed here was a servile government imposed by that intervention.

We declare our solidarity with the Puerto Rican people's struggle for independence and self-determination. [applause]

We declare our solidarity with the peoples and governments of Jamaica and Grenada in their struggles to consolidate their internal processes without any foreign intervention. [applause]

We also declare our support of Panama throughout all its struggles to recover the canal territory. [applause]

Our foreign policy is firmly opposed to all forms of blockade and the existence of foreign military bases in the Central American and Caribbean area, as in the case of Guantanamo. [applause] Our foreign ministry expressed its opposition to the military maneuvers which involved landing exercises. These have been suspended by the U.S. Government.

Our government has condemned the crimes which are systematically committed against the Salvadoran people. We repudiate the heinous assassination of Msgr Oscar Arnulfo Romero. Our revolutionary government decreed an official 3-day mourning period in his honor and had a mass said at the Plaza of the Revolution. There was a large turnout at the mass.

Nicaragua has been able to earn the respect and admiration of Western European governments and peoples, including the Netherlands, Spain, FRG and Italy, which have contributed and continue to contribute to the reconstruction of our homeland. We have also begun rapprochement with the socialist countries, with which we have signed commercial, technical, consular and other types of cooperation agreements. [applause]

We are honored and pleased with the visits paid by several chiefs of state: President Pham Van Dong from Vietnam [applause], President Jose Lopez Portillo from Mexico [applause], President Rodrigo Carazo from Costa Rica [applause], President Luis Herrera Campins from Venezuela [applause], Companero Prime Minister Maurice Bishop from Grenada [applause], and Gen Omar Torrijos Herrera, chief of the Panama National Guard [applause]. These visits are a token of solidarity with our people and the revolutionary process.

Justice and Legal Order

Our revolution has seriously striven to set up a new justice system in the country. This task, however, poses serious difficulties because it is not easy to go from an old-style ineffective and venal judicial apparatus which had been corrupted by the dictatorship to another one that reflects a new situation in which justice should represent the interests of the people effectively and honestly. We are starting to make headway in this.

One of the first steps taken by the revolution was to organize the supreme court with capable, honest and serious individuals. They have given all the necessary support to this task. [applause]

The judicial system's budget has more than doubled and the salaries of the judges, magistrates and other judicial officials have been considerably increased to make the administration of justice as dignified as it should really be. We hope that this new systemwill be rapidly consolidated. We want a new style of justice in Nicaragua and we are determined to get it.

The creation of the Justice Ministry has also contributed to the organization of the justice system. In addition to absorbing the duties of the attorney general's office, the new ministry is in charge of a number of other administrative and legal duties such as the management of the public registrars. The ministry is also the means of technical consultation for the formulation of laws both for the government junta and the State Council.

The creation of the special courts has provided a legal framework for the trial of the imprisoned Somozists who were involved in the repressive military and paramilitary bodies of the genocidal Somozist regime. Various international jurists and human rights groups have been able to verify the exemplary operation of these courts where people's justice is being meted out in an orderly fashion. We can proudly continue to show the world the generosity of our revolution which is capable of trying those who are guilty of committing crimes against the people in a strictly legal way. [applause]

Our Armed Forces

The Sandinist People's Army has been rapidly consolidated and now just 9 months after the victory we can proclaim that we have a professional, disciplined and efficient army which will set an example for Latin America. [applause]

This military corps of workers and peasants, guarantor of our revolutionary process and our national sovereignty has emerged out of those heroic guerrilla columns which in the various fronts of the insurrectionary war fought to destroy the genocidal Somozist guard. [applause]

The creation of the Sandinist peoples militias is a step forward in the people's participation in the armed forces. [applause] The militias, which are a means of voluntary military participation, in the short run are incorporating our entire economically active population into the tasks of national defense and defense of the revolution. The Sandinist national police is also improving its organization and efficiency and the government of national reconstruction is making every effort to have adequate installations for it and to give this corps--the guarantor of public order and the safety of the citizenry--the dignity and decorum it deserves. [applause]

We should also cite the selfless work of the state security corps--the safety of the people--which are trying to carry out a vital and delicate task which deserves the recognition of all Nicaraguans. [applause]

Companeros, in closing, the junta of the Government of National Reconstruction wants to restate its desire to pursue the objectives of our Sandinist people's revolution to their final consequences. This revolutionary project, backed by the blood of thousands of workers, youths, women and children who died in trenches and mountains will not be given up or swayed from its basic goals which consist of the integral and profound transformation of our society and returning to the poor and forlorn Nicaraguans their right to be free. This freedom basically consists of assured total access to work, a worthy housing unit, education and health care. The revolution and the revolutionary government will not leave the side of the poor and forlorn who are the key players in this historic process. [applause]

We also declared that the mixed economy system will continue to be guaranteed, and the participation of all honest and patriotic businessmen willing to join the process of national reconstruction and the building of the new Nicaragua will be assured. [applause]

The framework of pluralist participation of all political, labor and organized forces which make up this State Council will continue to be the political framework of this process. [applause] We reiterate our determination to carry on, as has been done so far, the government program prepared at the beginning of our mandate. We reiterate that according to that program there will be elections in Nicaragua in which we will choose our municipal, legislative and executive authorities. This is a commitment made to the people which will be fulfilled in the presence of the people. [applause]

We invoke national unity to carry out our revolution and the required fundamental transformations. We invoke this firm and unbreakable unity of all democratic and honest forces of the country to rally support for the revolutionary process headed by the Sandinist National Liberation Front [applause] so that we may oppose such unity with determination against those somber forces which inside and outside Nicaragua are trying to draw our country back to an unacceptable past, to a situation erased by the people's guns and by the history written by that same people. [applause]

Unity to continue onward! Unity to build the future! Unity to bury the shameful past forever! Unity for the birth of a new Nicaragua and a new man in Nicaragua, the free and shiny Nicaragua of the heroes of San Jacinto headed by Gen Jose Dolores Estrada, of the heroes of Coyotepe headed by Gen Benjamin Zeledon, of the heroes of Las Segovias headed by Gen Augusto Cesar Sandino, [applause] of the thousands of Sandinist heroes headed by Carlos Fonseca and German Pomares [applause] at the shout of free fatherland or death! [applause]

RECORD 4,033 REFUGEES LEAVE MARIEL FOR U.S.

FL071110 Havana Domestic Service in Spanish 1045 GMT 7 May 80

[Text] News from Mariel: A record 4,033 antisocial individuals left yesterday for the United States from Mariel. As of early this morning, 1,404 vessels from Florida were at the port.

Departure of Former Prisoners

PA071726 Madrid EFE in Spanish 2044 GMT 6 May 80

[By Angel Antonio Garcia Munoz]

[Text] Havana, 6 May (EFE)--After 2 weeks of sealift, almost 18,000 persons have used the port of Mariel to go to the United States on boats which have arrived from Miami. Without yet being able to say when this flow of Cubans will end, EFE learned today that a new factor has emerged in the departure of Cubans which could considerably increase the exodus. The port of Mariel will be used for travel to Florida by former political prisoners and their relatives who wish to leave, according to reliable sources.

The first group of former prisoners, almost 60 persons, left Mariel today. They were accompanied by more than 200 relatives. When the news breaks in Florida, where more than 800,000 Cubans now live, more boats could take to the sea to pick up relatives who served sentences in Cuban jails. Nevertheless, there are still 1,477 boats in the bay of Mariel waiting for the arrival of relatives who came to pick up the crews which normally live in the United States. [sentence as received]

In the last days, there has been a noticeable increase in the number of departures. A total of 3,308 persons left Cuba yesterday, a number similar to that of the last few days. This implies a definite speed-up of the process which will permit thousands of other Cubans to leave the island. The news that the United States will receive 250,000 Cubans leaving from Mariel has rekindled the hope of those who feared that the sealift would end at any moment.

Unofficial Cuban sources have said that approximately that same number of Cubans would take advantage of this system of travel to leave the country from Mariel. The Cuban authorities were the ones who decided to open the port of Mariel and could at any moment decide to close it again. In any case, thousands of Cuban citizens are staying at home now waiting for immigration officials to arrive and advise them of the arrival of their relatives from the United States.

The telephone lines of the Triton Hotel, located curiously close to the Peruvian Embassy, are overloaded almost all day long with hundreds of calls placed by the boat crews to their relatives. This hotel has become the general headquarters of the Cuban-Americans who came from Florida to await the green light from the Cuban authorities to take their relatives with them.

U.S. Blamed for Delays

FL072344 Havana Domestic Service in Spanish 2300 GMT 7 May 80

[Text] Last Friday, about 700 antisocial persons gathered at the U.S. Interests Section. They had been summoned by U.S. Consul Susan Lamanna. The consequences of the provocative incident are known by our people. U.S. officials, former counterrevolutionary prisoners and antisocial elements justified the incident by saying that Cuban authorities were to blame for the delay in leaving the country.

[Begin Reyes recording] Today we reaffirm categorically that the Cuban Government, the revolutionary government, has fulfilled to the letter all the agreements from the dialogue [with the Cuban community abroad]. [end recording]

This was an interview with Rev Jose Reyes, secretary of the Committee of 75 of the Cuban Community Abroad.

[Begin Reyes recording] We have been trying to pressure and to seek by various means that the U.S. Government grant entry to the United States to the former prisoners and their relatives. We believe that this is the root of the problem which now has been raised, the problem that has emerged now. By this time, those persons, all of them, already should have been in the United States of America because the Cuban Government said that all of them could leave. [end recording]

Rev Jose Reyes met about noon today with Wayne Smith, chief of the U.S. Interests Section in Havana. He was interviewed there by a group of Cuban journalists.

Saturday's editorial of the daily GRANMA unmasked the Yankee provocation at the interests section which evidently was organized by the U.S. Government.

Rev Jose Reyes, secretary of the Committee of 75 of the Cuban Community Abroad, admitted the responsibility of the United States in the delays for the departure of the former counterrevolutionary prisoners. In this regard, he said:

[Begin Reyes recording] They have been raising obstacles and difficulties in giving immigrant visas to all these persons. [end recording]

GRANMA CARRIES AP, AFP REPORTS ON REFUGEE EXODUS

FL071231 Havana Domestic Service in Spanish 1045 GMT 7 May 80

[Text] The newspaper GRANMA today devotes a full page to several press reports by capitalist news agencies which reflect the Yankees' embarrassment and uneasiness in face of the crisis they themselves have unleashed with their blockade, their violations of Cuban laws, their encouragement of illegal departures, their demagoguery, their lies, their hypocrisy and other crimes. The page carries the headline: Yankee Embarrassment.

For instance, one of the reports states: What began as an emigration of Cubans dissatisfied with their country's regime is fast turning into the deportation of criminals and undesirables by the Havana government, according to immigration officials. The AP report adds: According to these sources, many of the 16,000 refugees who have reached southern Flordia could never have left their country [otherwise]. The report says there is no end in sight to the influx of Cuban refugees who yesterday were coming at a rate of 300 per hour. There is only one man who knows how long this is going to last and we have no direct communication with him, Willian (Trout), a spokesman for the federal emergency agency, said. I am referring to that guy in Havana, the one with the big cigar, he said, meaning President Fidel Castro. AP further says that President James Carter promised to allow the entry of other refugees and said he welcomed them with open arms and heart. The presidential decision to admit to the United States an indefinite number of refugees was an unexpected turn in the official policy on the exodus, which enteres its third week. AP adds that the government had tried to discourage the dissidents, announcing that it would apply legal measures to prevent the massive entry of refugees. The United States had initially said that it would accept 3,500 of the 10,000 refugees at the Peruvian Embassy in Havana. But thousands of Cubans seeking asylum later arrived in the United States in the so-called Freedom Flotilla, crossing the 90 miles separating Cuba from the Flordia keys.

Another of the reports carried by GRANMA--this one by FRANCE-PRESSE--says: The political grenade thrown by Cuban President Fidel Castro in the direction of the United States today exploded at the White House, bewildered by the uninterrupted have of refugees landing on Florida coasts. The report adds: We are Cuba's hostages, said Skip Bafalis, Republican Representative from Florida and one of the Congressmen summoned yesterday by Carter to analyze the situation caused by this savage immigration. Carter's political dilemma is clear. He can decide to stop, by force if necessary, the Freedom Flotilla which is carrying to the United States thousands of Cuban refugees. But, in that event, as warned by some Florida Representatives, the powerful Cuban community would mutiny. Carter can also let things be and in a week the number of refugees will be such that it will create the danger of confrontation with the rest of the population. After 15 days of uncertainty and attempts to internationalize the problem, the fact remains that the United States let almost 15,000 Cubans arrive without any control and without organizing to receive them.

Another Republican Representative from Florida, Richard Kelly, insistently asked the government to stop the coming and going of the boats and to organize an air bridge, although it is not known if Castro will accept this solution, which already failed between Costa Rica and Cuba at the beginning of the crisis. An additional problem is the thousands of Haitians who illegally land in the United States and who are now complaining about the favored status granted to the Cubans. On Monday, Carter declared that the United States will continue to be the land of asylum and will receive the refugees with open arms. In view of the negative reactions that his speech elicited, the White House placed emphasis on another part of the speech, that which dealt with the respect for the U.S. immigration laws by Cubans and the others.

An AP report says: President James Carter declared a state of emergency in Florida, where officials were registering almost 18,000 refugees, among whom there were several who never asked to leave their homeland. The federal officials said that 3,594 Cubans arrived in a 24-hour period ending at 0600 local time. This put the total since the operation began at 17,656. Another AP report: President James Carter has welcomed Cuban refugees to the United States but their exodus has become a bureaucratic nightmare. In an apparent contradiction to the announced $1,000-fine to be imposed on boat owners who brought in the refugees--some 15,000 have arrived in the past 2 weeks--Carter declared that the United States will receive tens of thousands of Cubans with open arms and heart. The logistics of finding room and giving health care to the new arrivals is charged to 25 high-ranking government officials, several thousands at lower levels of the Federal Government, and 13 state agencies, according to Eugene Eidenberg, Carter's deputy administrative assistant. Eidenberg said that Carter will honor the request of the governor of Florida to declare the state a disaster area so it can receive federal aid.

GRANMA notes that these reports are made available to our public so they can enjoy them. There is only one thing to add to the information to our people--not a single antisocial individual has been deported from our country. All those who have left have done so voluntarily.

NEED FOR COSTA RICAN REFUGEE MEETING QUERIED

FL071546 Havana Domestic Service in Spanish 1418 GMT 7 May 80

[Text] Costa Rican President Rodrigo Carazo continues to be interested in staging a propaganda show in his country with the scum. Perhaps someone has misinformed him and made him believe that among the antisocials leaving the country are persons with artistic vocation or a talent for theatrics. Or is it that once again Costa Rica is suspiciously acting at the service of imperialism's interests? Let us examine the facts. According to an AP report, President Rodrigo Carazo is promoting a meeting of representatives of governments who are interested in the case of the Cubans who took refuge in the Peruvian Embassy in Havana and those who have not yet received authorization to leave their country.

Meanwhile, AFP reports that a high-ranking official in the Costa Rican Foreign Ministry explained that the problems of Cuban dissidents will be studied beyond the framework of the Peruvian Embassy situation.

What is the meeting for? According to the news reports, more than 25 countries have been invited to the meeting which is scheduled for tomorrow, as well as representatives of the United Nations and the OAS. But so far, only the United States has confirmed attendance. Of what use is this meeting? What are the reasons behind it,? GRANMA asks in an editorial published today in its third edition.

Initially, the Costa Rican Government, without consulting with the Cuban Government, tried to set up in San Jose a distribution center which would only serve to orchestrate a propaganda spectacle against Cuba and allow the Yankees to evade their responsibility in this matter, since, as is well known, it is to the United States, their natural habitat, where the great majority of the delinquents, lumpen, and other antisocials who have no place in our revolutionary fatherland want to travel. Logically, the White House immediately responded by cheerfully hailing the Costa Rican proposal. Cuba's firm and clear stand brought the stage down and put an end to San Jose's dreams of a burlesque show.

But the Costa Rican Government persisted. It then proposed to receive all antisocials who have entered the Peruvian Embassy, still trying, without putting it into words, to establish the distribution center anyway under another name. The White House and the State Department again applauded the new Costa Rican proposal. Once more Cuba tore down the curtain and closed down the show before the start of the first act. We stated at the time that we were willing to send to Costa Rica additional groups of antisocials to the extent that they were settled in Costa Rica on a permanent basis.

Meanwhile, through the initiative of Cubans residing in the United States, the antisocials who had been staying at the Peruvian Embassy and the other antisocials who wanted to leave began departing from Mariel. Many thousands have left via that route. We have no intention of denying any lumpen, any antisocial, his right to establish himself there where his real fatherland is--in the troubled and brutal north that despises patriotic Latin Americans but that, in President Carter's words, receives with open arms the delinquents from over here, GRANMA says in its editorial entitled "Plain Speaking" [Las Cosas Claras y el Chocolate Espeso].

Our people have clearly said: Let them go. Why these diplomatic comings and goings now? According to press reports, Costa Rican officials want to give the impression that an international mobilization is necessary to get the scum out of Cuba or to get the revolutionary government to allow them to leave. Lately it seems that in Costa Rican Government circles no one knows how to read or count anymore. Our government has very clearly stated in the same language that Costa Rican students learn that all antisocials who so desire can leave and that it is not doing nor will do anything to stop them. Our people, in their usual solidarity with their government, does not tire of shouting to these individuals: Let them go.

And those who know any arithmetic will have been able to add that tens of thousands have already gone and that there are enough boats in Mariel to take many more. Besides, the weather has improved and the now serene waters of the Florida Strait make it possible for boats to continue their activities without difficulty.

Nevertheless, the Costa Rican Government feels it is necessary to call this meeting in San Jose. As readers may suspect, this has also received the applause of Washington, which described it through State Department Spokesman Hodding Carter as an important and positive proposal. But what is the use of this meeting? What are its promoters seeking? the GRANMA commentary asks.

Let us return to the news reports. Many countries have been invited although so far only the United States has confirmed its attendance.

AP reports that, according to Carazo, the other Carter--the one who lives in the White House--sent him a letter asking him that the meeting also discuss, beside the situation of the Peruvian Embassy in Havana, the influx of Cubans from Mariel port to the United States and other humanitarian aspects related to the Cuban exodus.

A Washington-datelined AFP report says that the objective of the meeting is to regulate the departure of the antisocials. Probably because he has talked too much, Carter--the spokesman--uncovered the Yankees' intentions hidden in the Costa Rican proposal when he expressed the U.S. hope that the San Jose meeting would reach a consensus on how to deal with the problem of the Cuban refugees. The news agency itself reached this conclusion: Carter thus tacitly reiterated the call to other countries, particularly the Latin American nations, to also receive the refugees.

It then appears that the San Jose meeting will be one more attempt to agree on the distribution of the scum. Neither the Yankees, whose primordial responsibility it is, nor their accomplices, who are so desirous to help them, can agree among themselves. Surely the outcome of this meeting will be as anodyne as the Andean Pact. But what is the real story? Did not the other Carter--the White House resident--say that he would receive the scum with open heart and arms or has the Costa Rican Government become an arm of the Yankee government? What is oddest of all is that Cuba will be absent from that meeting. Our government clearly explained to the Costa Rican Government that this matter is to be discussed only between the governments of Cuba and the United States. There is absolutely nothing to discuss with third countries. The Mariel route goes to Florida, not to Costa Rica. There can be no dance without music or a baseball game without bat, glove and ball. There can be no chicken with rice without the chicken or the rice.

FOREIGN MINISTRY MARKS ANNIVERSARY OF RELATIONS WITH USSR

FL071442 Havana Domestic Service in Spanish 1400 GMT 7 May 80

[Text] All hands off Cuba: Cuba is not alone, it is an integral and permanent part of the socialist system, Marlen Manasov, minister-counselor of the USSR Embassy in Cuba, shouted in a speech here. The diplomat was the first speaker at the ceremony hosted by the Cuban Foreign Ministry [MINREX] on the occasion of the 20th anniversary on 8 May of the resumption of Cuban-Soviet diplomatic relations.

Before hundreds of MINREX workers, Manasov recalled that the resumption of relations had been possible thanks to the revolution. He added: Our cooperation is based on Marxism-Leninism and proletarian internationalism. During these 20 years cooperation has been consolidated and broadened and today includes practically all domains of the two countries' socioeconomic life, Manasov noted. He went on to say that the CPSU and the PCC are continuously broadening and improving their ties at the same time that they develop exchanges and trade union, youth, women's and other organizations of the two peoples.

PEOPLE 'ETERNALLY GRATEFUL' FOR SOVIET AID

PA061627 Havana International Service in Spanish 0800 GMT 6 May 80

[Station commentary]

[Text] Cuba will never give up any of its revolutionary principles governing its foreign policy. One of these principles involves the constant strengthening of its relations with the socialist bloc, mainly the USSR. On many occasions, successive U.S. governments have set a break in our friendly relations with the USSR as one of their conditions for lifting of the economic blockade on Cuba.

In view of such a blackmailing proposal, Cuba has always expressed its determination never to break the revolutionary bonds with Lenin's fatherland.

As stated recently during a news conference in Moscow by Carlos Rafael Rodriguez, vice president of the councils of State and Ministers, the successful construction of socialism in Cuba is eternally linked to the multifaceted and fruitful cooperation with the Soviet Union. Rodriquez headed the Cuban delegation at the 10th session of the Intergovernmental Commission for Economic and Scientific-Technological Cooperation, recently concluded in the Soviet capital.

The Cuban leaders reported that during the sessions, it was agreed to draft a general scheme for the development of the Cuban economy until the year 2000 with the support of Soviet experts.

As to the exchange of merchandise, Rodriquez said the agreements assure the growth of mutual trade which in 1979 exceeded 4 billion rubles--some $5.5 billion.

Today, 60 percent od Cuba's foreign trade is with the USSR. Cuba supplies the USSR sugar, fruit, nickel and other industrial and agricultural products. Since the bonds of cooperation were established between the two countries, the USSR has contributed to Cuban economic development by granting resources for various activities. In just the 5-year period ending this year, the volume of supplies for factories and equipment for the electric plants, which include an atomic plant in the near future, exceeded 1 billion rubles, while in the upcoming 5-year period, this figure may be increased even more.

Soviet cooperation, in addition, has permitted our country to develop vital economic activities, such as the construction of a sugarcane combine plant, the modernization of the Jose Marti metallurgical combine, the reconstruction of the Nicaro and Moa nickel plants and the construction of the Punta Gorda metallurgical combine, capable of producing 30,000 tons of nickel per year.

It can be said that there is not one project of economic importance to Cuba in which Soviet support has been absent. That is why the Cuban people are eternally grateful to the fatherland of Lenin. It is with that same gratitude that our revolution today practices the internationalism to help those nations which struggle to maintain their true independence or which fight to attain it.

CASTRO BROTHERS EXPRESS CONDOLENCES AT YUGOSLAV EMBASSY

FL072216 Havana Domestic Service in Spanish 2205 GMT 7 May 80

[Text] Commander in Chief Fidel Castro, first secretary of the party Central Committee and president of the councils of State and Ministers, and Army Gen Raul Castro, second secretary of the party Central Committee and first vice president of the councils of State and Ministers, this afternoon signed the register of condolences opened at the Embassy of the Socialist Federal Republic of Yugoslavia on the death of President Josip Broz Tito.

Before signing the register of condolences, Fidel and Raul observed a minute of silence in front of a photograph of President Tito. They then expressed their condolences to Yugoslav Ambassador Zivojin Jazic, his wife (Debenca) and other members of the embassy at the library of the diplomatic mission.

Hundreds of persons who had gathered on 42d Street in Miramar hailed Fidel and Raul as they left the Yugoslav Embassy.

CDB PRESIDENT DESCRIBES RESULTS OF MEETING

FL071944 Kingston Domestic Service in English 1930 GMT 7 May 80

[Text] The president of the Caribbean Development Bank [CDB], William Demas, has said that the four principal issues in the just concluded board of governors' meeting were resources, procedures of the CDB--particularly as they affect the lesser developed countries--regional development and integration and sectoral priorities in protection. Nearly all the governors, he said, agree that the CDB needs more resources if it is to perform effectively in the 1980s.

Mr Demas, in giving an overview of the CDB meeting, said he was impressed by the presentation of Jamaica's Minister of Finance Hugh Small, who had described the interaction between external and internal forces in the Jamaican economy over the past 10 years. He said Mr Small had shown clearly that after a decade of rapid growth in the fifties and sixties the economy remained vulnerable from a structural point of view.

Turning to another area of the bank's operation, the CDB chief noted that all the governors are taking note of the multiplicity of special funds within the bank and there was a unanimous view that they should have tried to arrive at a unified special development fund.

CARICOM LABOR MINISTERS TO MEET IN ST KITTS

FL071951 Kingston Domestic Service in English 1930 GMT 7 May 80

[Text] The fifth meeting of the standing committee of CARICOM ministers responsible for labor opens in St Kitts next Monday and runs until next Wednesday. Agenda items include functioning of the Caribbean Labor Administration Center, the harmonization of labor legislation in the Caribbean, worker participation and education and matters relating to management in productivity. Most of the CARICOM states are expected to take part in the meeting, which will be attended by representatives of the Caribbean Conference of Labor and the International Labor Organization.

JAMAICA

DELEGATION TO TITO'S FUNERAL ANNOUNCED

FL071819 Kingston Domestic Service in English 1630 GMT 7 May 80

[Text] The Jamaica ambassador to the Geneva offices of the United Nations, Mr (Ashley Hay), will represent Jamaica at the funeral of Yugoslav President Josip Tito. Here in Jamaica, flags are to be flown at half-mast for the state funeral which takes place tomorrow in the Yugoslav capital, Belgrade.

NEW MINISTER OF INDUSTRY, COMMERCE APPOINTED

FL071701 Kingston Domestic Service in English 1630 GMT 7 May 80

[Excerpt] The minister of state for education, youth and sports, Derrick Heaven, has been appointed the new minister of industry and commerce. He succeeds Mr William Isaacs, who resigned from that post on Monday because of personal and family reasons. Mr Heaven's appointment was announced this morning by Prime Minister Manley. Mr Heaven acted in the capacity of minister of industry and commerce last month during Mr Isaacs' absence from the island.